



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
 FEDERAL HOUSING COMMISSIONER

1 **Date:** **XXXX, 2026**

2 **Mortgagee Letter** **2026-XX**

- 3 **To:** All FHA-Approved Mortgagees
 4 All Direct Endorsement Underwriters
 5 All Eligible Submission Sources for Condominium Project Approvals
 6 All FHA Roster Appraisers
 7 All FHA-Approved 203(k) Consultants
 8 All FHA-Approved Title I Lenders
 9 All HUD-Certified Housing Counselors
 10 All HUD-Approved Nonprofit Organizations
 11 All Governmental Entity Participants
 12 All Real Estate Brokers
 13 All Closing Agents

14 **Subject** Updates to Borrower Eligibility Requirements

15 **Purpose** This Mortgagee Letter (ML) implements new requirements for determining
 16 eligibility for Borrowers with delinquent child support subject to federal
 17 administrative offset through an automated process in FHA Connection
 18 (FHAC).

19 This ML also simplifies existing lender requirements for Borrowers with
 20 delinquent federal non-tax debt, including Credit Alert Verification
 21 Reporting System (CAIVRS) screening, by removing unnecessary language
 22 on procedural redundancies. These revisions do not substantively change
 23 Borrower eligibility requirements.

24 **Effective Date** The provisions of this ML must be implemented for FHA case numbers
 25 assigned on or after _____ (*60 days from publication) and on
 26 _____ (*60 days from publication) for Servicing requirements.

27 All updates will be incorporated into a forthcoming update of the HUD
 28 Handbook 4000.1, *FHA Single Family Housing Policy Handbook*
 29 (Handbook 4000.1).

Mortgagee Letter 2026-XX, Continued

1 **Affected** The provisions of this ML apply to all FHA Title II Single Family forward
 2 **Programs** and Home Equity Conversion Mortgage (HECM) programs.

3 **Background** Federal law prohibits providing federal financial assistance, including FHA-
 4 insured Mortgages, to individuals with delinquent federal non-tax debt or
 5 who are subject to federal administrative offset due to delinquent child
 6 support obligations. These requirements protect the integrity of federal
 7 programs and promote responsible stewardship of public funds.

8 Delinquent child support obligations subject to federal administrative offset
 9 are reported to the U.S. Department of the Treasury through the Treasury
 10 Offset Program (TOP) Debt Check database within the Do Not Pay (DNP)
 11 portal. The U.S. Department of Health and Human Services (HHS) Office of
 12 Child Support Enforcement (OCSE) provides this information to the
 13 Treasury to facilitate federal administrative offset. FHA has established an
 14 automated interface within FHAC, similar to the CAIVRS process, to screen
 15 Borrowers against the Treasury’s database, enabling consistent
 16 identification of Borrowers who are ineligible for FHA-insured financing
 17 due to delinquent child support subject to offset until the obligation is
 18 resolved in accordance with applicable requirements.

19 FHA will continue to screen Borrowers for delinquent federal non-tax debt
 20 through CAIVRS. Existing policy for Borrower Ineligibility Due to
 21 Delinquent Federal Non-Tax Debt is being simplified to clarify eligibility
 22 determinations and documentation standards, and to remove unnecessary
 23 procedural redundancies.

24 **Summary of** This ML:
 25 **Changes**

- 26 • adds Borrower Ineligibility Due to Federal Administrative Offset for
 27 Delinquent Child Support (II.A.1.b.ii(A)(11)) and renumbers
 28 subsequent sections;
- 29 • updates Alimony, Child Support, and Maintenance (TOTAL) –
 30 Standard (II.A.4.b.iv(E)(2));
- 31 • updates Alimony, Child Support, and Maintenance (Manual) –
 32 Standard (II.A.5.a.iv(D)(2));
- 33 • updates Severe Case Warnings (II.A.7.d.vi(A));
- 34 • updates Streamline Refinance Exemptions (II.A.8.d.vi(C)(1));
- 35 • updates Borrower Ineligibility Due to Delinquent Federal Non-Tax
 36 Debt (II.A.1.b.ii(A)(10));
- 37 • adds Borrower Ineligibility Due to Federal Administrative Offset for
 38 Delinquent Child Support (II.B.2.b.ii(A)(12)) and renumbers
 subsequent sections;

Mortgagee Letter 2026-XX, Continued

- 1 • updates Preliminary Review of Borrower Eligibility Requirements (II.B.2.a.iii(B)(5));
- 2
- 3 • updates Alimony, Child Support, and Maintenance
- 4 (II.B.5.d.iii(E)(2));
- 5 • updates Borrower Ineligibility Due to Delinquent Federal Non-Tax
- 6 Debt (II.B.2.b.ii(A)(11)); and
- 7 • updates Eligibility to Participate in HUD Programs (III.A.2.h.iii(A)).

8 The Handbook 4000.1 sections impacted by this ML are provided in
 9 [Attachment 1](#), with changes tracked in redline to help users clearly identify
 10 the policy requirements being revised or removed from the Handbook.

11 **FHA Single**
 12 **Family Housing**
 13 **Policy**
 14 **Handbook**
 15 **4000.1**
 16
 17 **Origination**
 18 **Through Post-**
 19 **closing/**
 20 **Endorsement**

The policy changes will be incorporated into Handbook 4000.1 as follows:

General Borrower Eligibility Requirements (II.A.1.b.ii(A))

(11) Borrower Ineligibility Due to Federal Administrative Offset for Delinquent Child Support

(a) Standard

Borrowers are ineligible for an FHA-insured Mortgage if they have delinquent child support obligations subject to federal administrative offset. Identification of these obligations is determined in [FHA Connection \(FHAC\)](#) through an automated screening against the U.S. Department of the Treasury’s Treasury Offset Program (TOP) Debt Check database within the Do Not Pay (DNP) portal.

(b) Verification and Required Documentation

If a Borrower is identified through FHAC as being subject to federal administrative offset for delinquent child support, the Mortgagee must notify the Borrower and provide them with the TOP’s website <https://fiscal.treasury.gov/debt-management/treasury-offset-program-top> to obtain information on resolving the delinquency.

To document resolution, the Mortgagee must obtain:

- a subsequent clear screening of the Borrower through FHAC; or
- documentation from the relevant child support enforcement authority verifying that the child support obligation is no longer subject to the federal administrative offset.

A Borrower may become eligible for FHA-insured financing once the delinquent child support obligation is no longer subject to federal administrative offset.

Mortgagee Letter 2026-XX, Continued

1 **Alimony, Child Support, and Maintenance (TOTAL) (II.A.4.b.iv(E))**

2 **(2) Standard**

3 For Alimony, if the Borrower’s income was not reduced by the amount of
4 the monthly alimony obligation in the Mortgagee’s calculation of the
5 Borrower’s gross income, the Mortgagee must include the monthly
6 obligation in the calculation of the Borrower’s debt.

7 Child Support and Maintenance are to be treated as a recurring liability and
8 the Mortgagee must include the monthly obligation in the Borrower’s
9 liabilities and debt.

10 **Mortgagees must also follow requirements in [Borrower Ineligibility Due to](#)
11 [Federal Administrative Offset for Delinquent Child Support](#) for Borrowers
12 with delinquent child support subject to federal administrative offset.**

13 **Alimony, Child Support, and Maintenance (Manual) (II.A.5.a.iv(D))**

14 **(2) Standard**

15 For Alimony, if the Borrower’s income was not reduced by the amount of
16 the monthly alimony obligation in the Mortgagee’s calculation of the
17 Borrower’s gross income, the Mortgagee must verify and include the
18 monthly obligation in its calculation of the Borrower’s debt.

19 Child Support and Maintenance are to be treated as a recurring liability and
20 the Mortgagee must include the monthly obligation in the Borrower’s
21 liabilities and debt.

22 **Mortgagees must also follow requirements in [Borrower Ineligibility Due to](#)
23 [Federal Administrative Offset for Delinquent Child Support](#) for Borrowers
24 with delinquent child support subject to federal administrative offset.**

25 **Case Warnings – Lender Insurance (II.A.7.d.vi)**

26 **(A) Severe Case Warnings**

27 Severe case warnings are case warnings that make the Mortgagee ineligible
28 for Lender Insurance (LI), which include:

- 29
 - a Borrower failed or is pending SSN validation;
 - a Borrower has a record in CAIVRS;
- 30

Mortgage Letter 2026-XX, Continued

- 1 • a Borrower has a record in FHAC (from the U.S. Department of the
- 2 Treasury’s database) for delinquent child support subject to federal
- 3 administrative offset;
- 4 • the pre-endorsement delinquency status is delinquent; or
- 5 • a deficiency exists causing risks to HUD. FHA will add text to the
- 6 case warning message screen identifying the reasons requiring
- 7 submission of the case binder to FHA for a pre-endorsement review.

8 Once the severe case warning is corrected, documentation in support of
9 clearing the case warning and the case binder must be submitted to FHA for
10 pre-endorsement review and endorsement processing.

11 **Streamline Refinances (II.A.8.d.vi(C))**

12 **(1) Streamline Refinance Exemptions**

13 **(a) Non-credit Qualifying Exemptions**

14 Unless otherwise stated in this section, the following sections of
15 [Origination through Post-closing/Endorsement](#) (II) do not apply to non-
16 credit qualifying Streamline Refinances:

- 17 • Ordering Appraisal
- 18 • Transferring Existing Appraisal
- 19 • Ordering Second Appraisal
- 20 • Ordering an Update to an Appraisal
- 21 • Borrower Minimum Decision Credit Score
- 22 • Borrower and Co-Borrower Ownership and Obligation
- 23 Requirements
- 24 • Co-signer Requirements
- 25 • Principal Residence in the United States
- 26 • Military Personnel Eligibility
- 27 • Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt
- 28 • Delinquent Federal Tax Debt
- 29 • Borrower Ineligibility Due to Federal Administrative Offset for
- 30 Delinquent Child Support
- 31 • Property Eligibility and Acceptability Criteria
- 32 • National Housing Act’s Statutory Limits
- 33 • Nationwide Mortgage Limits
- 34 • LTV Limitations Based on Borrower’s Credit Score
- 35 • Underwriting the Property
- 36 • Underwriting the Borrower Using the TOTAL Mortgage
- 37 Scorecard
- 38 • Credit Requirements (Manual)
- 39 • Income Requirements (Manual)

Mortgagee Letter 2026-XX, Continued

- 1 • Asset Requirements (Manual)
- 2 • Underwriting of Credit and Debt (Manual)
- 3 • Underwriting of Income (Manual)
- 4 • Underwriting of Assets (Manual)
- 5 • Calculating Qualifying Ratios (Manual)
- 6 • Approvable Ratio Requirements (Manual)
- 7 • Documenting Acceptable Compensating Factors (Manual)

8 **(b) Credit Qualifying Exemptions**

9 The following sections of [Origination through Post-closing/Endorsement](#)
10 (II) do not apply to credit qualifying Streamline Refinances:

- 11 • Ordering Appraisal
- 12 • Transferring Existing Appraisal
- 13 • Ordering Second Appraisal
- 14 • Ordering an Update to an Appraisal
- 15 • Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt
- 16 • Delinquent Federal Tax Debt
- 17 • **Borrower Ineligibility Due to Federal Administrative Offset for**
18 **Delinquent Child Support**
- 19 • Property Eligibility and Acceptability Criteria
- 20 • National Housing Act's Statutory Limits
- 21 • Nationwide Mortgage Limits
- 22 • LTV Limitations Based on Borrower's Credit Score
- 23 • Underwriting the Property
- 24 • Underwriting the Borrower Using the TOTAL Mortgage
25 Scorecard

26 **General Borrower Eligibility Requirements (II.A.1.b.ii.A)**

27 **(10) Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt**

28 **(a) Standard**

29 **Borrowers are ineligible** for an FHA-insured Mortgage **if they have**
30 **delinquent federal non-tax debt, including deficiency Judgments and**
31 **other debt associated with past FHA-insured Mortgages, until the debt is**
32 **resolved.** Mortgagees **must** determine whether the Borrowers have
33 **delinquent federal non-tax debt by** **obtaining** information from public
34 records, credit reports or equivalent, and **checking** all Borrowers against
35 the [Credit Alert Verification Reporting System \(CAIVRS\)](#).

Mortgagee Letter 2026-XX, Continued

1 **(b) Verification and Required Documentation**

2 If a delinquent federal non-tax debt is reflected in a public record, credit
3 report or equivalent, or CAIVRS or an Equivalent System, the
4 Mortgagee must verify the validity and delinquency status by contacting
5 the creditor agency to whom the debt is owed.

6 Mortgagees must obtain documentation supporting the verification and
7 resolution of the debt in accordance with the [Debt Collection](#)
8 [Improvement Act](#). For debts reported through CAIVRS, evidence of
9 resolution may be obtained through a clear CAIVRS report.

10 A Borrower may become eligible for FHA-insured financing once the
11 delinquency is resolved or by documenting the information is invalid.

12 **General Borrower Eligibility Requirements (II.B.2.b.ii(A))**

13 **(12) Borrower Ineligibility Due to Federal Administrative Offset for**
14 **Delinquent Child Support**

15 **(a) Standard**

16 Borrowers are ineligible for an FHA-insured HECM if they have
17 delinquent child support obligations subject to federal administrative
18 offset. Identification of these obligations is determined in [FHA](#)
19 [Connection \(FHAC\)](#) through an automated screening against the U.S.
20 Department of the Treasury's Treasury Offset Program (TOP) Debt
21 Check database within the Do Not Pay (DNP) portal.

22 **(b) Verification and Required Documentation**

23 If a Borrower is identified through FHAC as being subject to federal
24 administrative offset for delinquent child support, the Mortgagee must
25 notify the Borrower and provide them with the TOP's website
26 <https://fiscal.treasury.gov/debt-management/treasury-offset-program-top>
27 to obtain information on resolving the delinquency.

28 To document resolution, the Mortgagee must obtain:

- 29 • a subsequent clear screening of the Borrower through FHAC; or
- 30 • documentation from the relevant child support enforcement
31 authority verifying that the child support obligation is no longer
32 subject to the federal administrative offset.

33 A Borrower may become eligible for FHA-insured financing once the
34 delinquent child support obligation is no longer subject to federal
35 administrative offset.

Mortgagee Letter 2026-XX, Continued

Initial Document Processing (II.B.2.a.iii(B))

(5) Preliminary Review of Borrower Eligibility Requirements

Before any charges may be incurred by the prospective Borrower, the Mortgagee must preliminarily review whether:

- the Borrower will be at least 62 years of age by closing;
- the Borrower has any unresolved delinquent Federal Debt – see [Delinquent Federal Tax Debt](#) (II.B.2.b.ii(A)(10)) and [Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt](#);
- the Borrower is ineligible due to federal administrative offset for delinquent child support – see [Borrower Ineligibility Due to Federal Administrative Offset for Delinquent Child Support](#); and
- the Property securing the HECM will be the Borrower’s Principal Residence.

If, after a review of these requirements, the Mortgagee finds that the Borrower is ineligible, the Mortgagee must notify the Borrower in writing of their ineligibility and cease processing of the application. The Mortgagee can charge the Borrower for any services performed after this determination.

Alimony, Child Support, and Maintenance (II.B.5.d.iii(E))

(2) Standard

For Alimony, if the Borrower’s income was not reduced by the amount of the monthly alimony obligation in the Mortgagee’s calculation of the Borrower’s gross income, the Mortgagee must verify and include the monthly obligation in its calculation of the Borrower’s monthly expenses.

Child Support and Maintenance are to be treated as a recurring liability and the Mortgagee must include the monthly obligation in the Borrower’s liabilities and monthly expenses.

Mortgagees must also follow requirements in [Borrower Ineligibility Due to Federal Administrative Offset for Delinquent Child Support](#) for Borrowers with delinquent child support subject to federal administrative offset.

Mortgagee Letter 2026-XX, Continued

General Borrower Eligibility Requirements (II.B.2.b.ii(A))

(11) Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt

(a) Definition

Judgment refers to any debt or monetary liability of the Borrower created by a court or other adjudicating body.

(b) Standard

Borrowers are ineligible for an FHA-insured HECM if they have delinquent federal non-tax debt, including deficiency Judgments and other debt associated with past FHA-insured Mortgages, until the debt is resolved. Mortgagees must determine whether the Borrowers have delinquent federal non-tax debt by obtaining information from public records, credit reports or equivalent, and checking all Borrowers against the [Credit Alert Verification Reporting System \(CAIVRS\)](#).

(c) Verification and Required Documentation

If a delinquent federal non-tax debt is reflected in a public record, credit report or equivalent, or CAIVRS or an Equivalent System, the Mortgagee must verify the validity and delinquency status by contacting the creditor agency to whom the debt is owed.

Mortgagees must obtain documentation supporting the verification and resolution of the debt in accordance with the [Debt Collection Improvement Act](#). For debts reported through CAIVRS, evidence of resolution may be obtained through a clear CAIVRS report.

A Borrower may become eligible for an FHA-insured HECM once the delinquency is resolved or by documenting the information is invalid.

**FHA Single
Family Housing
Policy
Handbook
4000.1**

Loss Mitigation Program – Standard (III.A.2.h.iii)

(A) Eligibility to Participate in HUD Programs

The Mortgagee must verify that the Borrowers are eligible to participate in HUD’s Loss Mitigation Program.

**Servicing and
Loss Mitigation**

To be eligible to participate in HUD’s Loss Mitigation Program, the Borrower:

- may not own other real estate subject to FHA insurance, except within the stated [exceptions](#) (II.A.1.b.iii(A)(2)(c));

Mortgagee Letter 2026-XX, Continued

- 1 • has not been the Borrower, except through inheritance or as a co-
2 signer only, on prior loans on which an FHA claim has been paid
3 within the past three years;
- 4 • for purposes of a Loan Modification, Partial Claim, Combination
5 Loan Modification and Partial Claim, or Payment Supplement, must
6 not be debarred, suspended or subject to a HUD Limited Denial of
7 Participation (LDP) as determined in accordance with [Excluded](#)
8 [Parties](#) (II.A.1.b.ii(B)) requirements; and
- 9 • for purposes of a Partial Claim, Combination Loan Modification and
10 Partial Claim, or Payment Supplement, may not have unresolved
11 delinquent Federal Debt or delinquent child support subject to
12 federal administrative offset as determined in accordance with
13 [Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt](#) and
14 [Borrower Ineligibility Due to Federal Administrative Offset for](#)
15 [Delinquent Child Support](#) requirements. The Delinquent FHA-
16 insured Mortgage associated with the Loss Mitigation does not
17 constitute a disqualifying delinquent Federal Debt.

18 **Paperwork** The information collection requirements contained in this document have
19 **Reduction Act** been approved by the Office of Management and Budget (OMB) under the
20 Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and
21 assigned OMB control numbers 2502-0005; 2502-0059; 2502-0117; 2502-
22 0189; 2502-0302; 2502-0306; 2502-0322; 2502-0328; 2502-0358; 2502-
23 0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0524; 2502-
24 0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-
25 0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0600; 2502-
26 0610; and 2502-0611. In accordance with the PRA, HUD may not conduct
27 or sponsor, and a person is not required to respond to, a collection of
28 information unless the collection displays a currently valid OMB control
29 number.

1
2

Attachment 1
Handbook 4000.1 Pages Impacted by this Mortgagee Letter

3
4
5

The Handbook 4000.1 sections impacted by this Mortgagee Letter (ML) are provided in this attachment, with changes tracked in redline, to help users clearly identify the policy requirements being revised or removed from the Handbook.

Drafting Table

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

1. Origination/Processing

(11) Borrower Ineligibility Due to Federal Administrative Offset for Delinquent Child Support

(a) Standard

Borrowers are ineligible for an FHA-insured Mortgage if they have delinquent child support obligations subject to federal administrative offset. Identification of these obligations is determined in FHA Connection (FHAC) through an automated screening against the U.S. Department of the Treasury’s Treasury Offset Program (TOP) Debt Check database within the Do Not Pay (DNP) portal.

(b) Verification and Required Documentation

If a Borrower is identified through FHAC as being subject to federal administrative offset for delinquent child support, the Mortgagee must notify the Borrower and provide them with the TOP’s website <https://fiscal.treasury.gov/debt-management/treasury-offset-program-top> to obtain information on resolving the delinquency.

To document resolution, the Mortgagee must obtain:

- a subsequent clear screening of the Borrower through FHAC; or
- documentation from the relevant child support enforcement authority verifying that the child support obligation is no longer subject to the federal administrative offset.

A Borrower may become eligible for FHA-insured financing once the delinquent child support obligation is no longer subject to federal administrative offset.

(12) Eligibility Period for Borrowers Delinquent on FHA-Insured Mortgages

If a Borrower is currently delinquent on an FHA-insured Mortgage, they are ineligible for a new FHA-insured Mortgage unless the delinquency is resolved.

(13) Delinquent Federal Tax Debt

(a) Standard

Borrowers with delinquent Federal Tax Debt are ineligible.

Tax liens may remain unpaid if the Borrower has entered into a valid repayment agreement with the federal agency owed to make regular payments on the debt and the Borrower has made timely payments for at least three months of scheduled payments. The Borrower cannot prepay scheduled

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

4. Underwriting the Borrower Using the TOTAL Mortgage Scorecard (TOTAL)

1 **(2) Standard**

2 The Mortgagee must include the debt. The amount of the required payment must
3 be included in the calculation of the Borrower’s total debt to income.

4 **(3) Required Documentation**

5 The Mortgagee must include documentation from the federal agency evidencing
6 the repayment agreement and verification of payments made, if applicable.

7 **(E) Alimony, Child Support, and Maintenance (TOTAL)**

8 **(1) Definition**

9 Alimony, Child Support, and Maintenance are court-ordered or otherwise agreed
10 upon payments.

11 **(2) Standard**

12 For Alimony, if the Borrower’s income was not reduced by the amount of the
13 monthly alimony obligation in the Mortgagee’s calculation of the Borrower’s
14 gross income, the Mortgagee must include the monthly obligation in the
15 calculation of the Borrower’s debt.

16 Child Support and Maintenance are to be treated as a recurring liability and the
17 Mortgagee must include the monthly obligation in the Borrower’s liabilities and
18 debt.

19 Mortgagees must also follow requirements in Borrower Ineligibility Due to
20 Federal Administrative Offset for Delinquent Child Support for Borrowers with
21 delinquent child support subject to federal administrative offset.

22 **(3) Required Documentation**

23 The Mortgagee must verify and document the monthly obligation by obtaining the
24 official signed divorce decree, separation agreement, maintenance agreement, or
25 other legal order.

26 The Mortgagee must also obtain the Borrower’s pay stubs covering no less than
27 28 consecutive Days to verify whether the Borrower is subject to any order of
28 garnishment relating to the Alimony, Child Support, and Maintenance.

29 **(4) Calculation of Monthly Obligation**

30 The Mortgagee must calculate the Borrower’s monthly obligation from the greater
31 of:

- 32 • the amount shown on the most recent decree or agreement establishing

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

5. Manual Underwriting of the Borrower

1 **(2) Standard**

2 The Mortgagee must include the debt. The amount of the required payment must
3 be included in the calculation of the Borrower’s total debt to income.

4 **(3) Required Documentation**

5 The Mortgagee must include documentation from the federal agency evidencing
6 the repayment agreement and verification of payments made, if applicable.

7 **(D) Alimony, Child Support, and Maintenance (Manual)**

8 **(1) Definition**

9 Alimony, Child Support, and Maintenance are court-ordered or otherwise agreed
10 upon payments.

11 **(2) Standard**

12 For Alimony, if the Borrower’s income was not reduced by the amount of the
13 monthly alimony obligation in the Mortgagee’s calculation of the Borrower’s
14 gross income, the Mortgagee must verify and include the monthly obligation in its
15 calculation of the Borrower’s debt.

16 Child Support and Maintenance are to be treated as a recurring liability and the
17 Mortgagee must include the monthly obligation in the Borrower’s liabilities and
18 debt.

19 Mortgagees must also follow requirements in Borrower Ineligibility Due to
20 Federal Administrative Offset for Delinquent Child Support for Borrowers with
21 delinquent child support subject to federal administrative offset.

22 **(3) Required Documentation**

23 The Mortgagee must obtain the official signed divorce decree, separation
24 agreement, maintenance agreement, or other legal order.

25 The Mortgagee must also obtain the Borrower’s pay stubs covering no less than
26 28 consecutive Days to verify whether the Borrower is subject to any order of
27 garnishment relating to the Alimony, Child Support, and Maintenance.

28 **(4) Calculation of Monthly Obligation**

29 The Mortgagee must calculate the Borrower’s monthly obligation from the greater
30 of:

- 31 • the amount shown on the most recent decree or agreement establishing the
- 32 Borrower’s payment obligation; or

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

7. Post-closing and Endorsement

- 1 • be dated and signed by the Mortgagee’s representative; and
2 • be printed on company letterhead with the Mortgagee’s address and telephone
3 number.

4 The Mortgagee must retain the certification in the case binder.

5 **vi. Case Warnings – Lender Insurance**

6 Case warnings are issued by FHAC based on system edits. They identify issues that must
7 be addressed before the Mortgage can be insured. There are two kinds of case warnings:
8 non-severe and severe.

9 **(A) Severe Case Warnings**

10 Severe case warnings are case warnings that make the Mortgage ineligible for Lender
11 Insurance (LI), which include:

- 12 • a Borrower failed or is pending SSN validation;
13 • a Borrower has a record in CAIVRS;
14 • **a Borrower has a record in FHAC (from the U.S. Department of the**
15 **Treasury’s database) for delinquent child support subject to federal**
16 **administrative offset;**
17 • the pre-endorsement delinquency status is delinquent; or
18 • a deficiency exists causing risks to HUD. FHA will add text to the case
19 warning message screen identifying the reasons requiring submission of the
20 case binder to FHA for a pre-endorsement review.

21 Once the severe case warning is corrected, documentation in support of clearing the
22 case warning and the case binder must be submitted to FHA for pre-endorsement
23 review and endorsement processing.

24 **(B) Non-severe Case Warnings**

25 Non-severe case warnings are warnings to provide guidance to the Mortgagee that
26 conditions have been detected and must be researched before the Mortgage can be
27 endorsed. If, after researching the matter, the Mortgagee determines that HUD
28 requirements have not been violated, the Mortgagee may resubmit the Mortgage for
29 insurance.

30 By resubmitting the information, the Mortgagee is representing that the warning has
31 been reviewed and the Mortgage is eligible for insurance endorsement. FHAC will
32 then allow the Mortgage to be insured by the Mortgagee.

33 **vii. Mortgagee with Conditional Direct Endorsement Approval (Test Case)**

34 Mortgagees who receive a Direct Endorsement Program Test Case Phase approval letter
35 from FHA must follow the [Test Case Phase Binder Submission](#) process.

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

8. Programs and Products – Refinances (05/25/2025)

1 **(1) Streamline Refinance Exemptions**

2 **(a) Non-credit Qualifying Exemptions**

3 Unless otherwise stated in this section, the following sections of [Origination](#)
 4 [through Post-closing/Endorsement](#) do not apply to non-credit qualifying
 5 Streamline Refinances:

- 6 • Ordering Appraisal
- 7 • Transferring Existing Appraisal
- 8 • Ordering Second Appraisal
- 9 • Ordering an Update to an Appraisal
- 10 • Borrower Minimum Decision Credit Score
- 11 • Borrower and Co-Borrower Ownership and Obligation Requirements
- 12 • Co-signer Requirements
- 13 • Principal Residence in the United States
- 14 • Military Personnel Eligibility
- 15 • Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt
- 16 • Delinquent Federal Tax Debt
- 17 • **[Borrower Ineligibility Due to Federal Administrative Offset for](#)**
 18 **[Delinquent Child Support](#)**
- 19 • Property Eligibility and Acceptability Criteria
- 20 • National Housing Act’s Statutory Limits
- 21 • Nationwide Mortgage Limits
- 22 • LTV Limitations Based on Borrower’s Credit Score
- 23 • Underwriting the Property
- 24 • Underwriting the Borrower Using the TOTAL Mortgage Scorecard
- 25 • Credit Requirements (Manual)
- 26 • Income Requirements (Manual)
- 27 • Asset Requirements (Manual)
- 28 • Underwriting of Credit and Debt (Manual)
- 29 • Underwriting of Income (Manual)
- 30 • Underwriting of Assets (Manual)
- 31 • Calculating Qualifying Ratios (Manual)
- 32 • Approvable Ratio Requirements (Manual)
- 33 • Documenting Acceptable Compensating Factors (Manual)

34 **(b) Credit Qualifying Exemptions**

35 The following sections of [Origination through Post-closing/Endorsement](#) do
 36 not apply to credit qualifying Streamline Refinances:

- 37 • Ordering Appraisal
- 38 • Transferring Existing Appraisal
- 39 • Ordering Second Appraisal
- 40 • Ordering an Update to an Appraisal

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

8. Programs and Products – Refinances (05/25/2025)

- 1 • Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt
- 2 • Delinquent Federal Tax Debt
- 3 • **Borrower Ineligibility Due to Federal Administrative Offset for**
- 4 **Delinquent Child Support**
- 5 • Property Eligibility and Acceptability Criteria
- 6 • National Housing Act’s Statutory Limits
- 7 • Nationwide Mortgage Limits
- 8 • LTV Limitations Based on Borrower’s Credit Score
- 9 • Underwriting the Property
- 10 • Underwriting the Borrower Using the TOTAL Mortgage Scorecard

11 **(2) Borrower Eligibility**

12 **(a) Occupancy Requirements**

13 **(i) Standard**

14 Streamline Refinances may be used for Principal Residences, HUD-
 15 approved Secondary Residences, or non-owner occupied Properties.

16 **(ii) Required Documentation**

17 The Mortgagee must review one of the following to evidence that the
 18 Borrower currently occupies the Property as their Principal Residence:

- 19 • Borrower’s employment documentation;
- 20 • utility bills; or
- 21 • direct electronic verification by a Third Party Verification (TPV)
 22 vendor verifying the Borrower’s address is the same as that of the
 23 subject Property.

24 The Mortgagee must obtain evidence that the Secondary Residence has
 25 been approved by FHA.

26 The Mortgagee must process the Streamline Refinance as a non-owner
 27 occupied Property if the Mortgagee cannot obtain evidence that the
 28 Borrower occupies the Property either as a Principal or Secondary
 29 Residence

30 **(b) Payment History Requirements**

31 **(i) Standard**

32 **Non-credit Qualifying**

33 The Borrower must have made all Mortgage Payments for all Mortgages

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

1. Origination/Processing

1 The U.S. Citizenship and Immigration Services (USCIS) within the
 2 Department of Homeland Security provides evidence of lawful permanent
 3 resident status.

4 **(b) Citizens of the Federal States of Micronesia, the Republic of the**
 5 **Marshall Islands, or the Republic of Palau**

6 **(i) Standard**

7 A Borrower with citizenship in the Federated States of Micronesia, the
 8 Republic of the Marshall Islands, or the Republic of Palau may be eligible
 9 for FHA-insured financing provided the Borrower satisfies the same
 10 requirements, terms, and conditions as those for U.S. citizens.

11 **(ii) Required Documentation**

12 For Borrowers who are citizens of the Federated States of Micronesia, the
 13 Republic of the Marshall Islands, or the Republic of Palau, the mortgage
 14 file must include evidence of such citizenship.

15 **(10) Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt**

16 **(a) Standard**

17 ~~Borrowers are ineligible~~ Mortgagees are prohibited from processing an
 18 application for an FHA-insured Mortgage ~~if they have~~ for Borrowers with
 19 delinquent federal non-tax debt, including deficiency Judgments and other
 20 debt associated with past FHA-insured Mortgages, ~~until the debt is resolved~~.
 21 Mortgagees ~~must are required to~~ determine whether the Borrowers have
 22 delinquent federal non-tax debt ~~by~~. Mortgagees may obtain ~~ing~~ information ~~on~~
 23 ~~delinquent Federal Debts~~ from public records, credit reports or equivalent, and
 24 ~~must~~ checking all Borrowers against the [Credit Alert Verification Reporting](#)
 25 [System \(CAIVRS\)](#).

26 **(b) Verification ~~and Required Documentation~~**

27 If a delinquent ~~F~~ federal ~~non-tax~~ ~~D~~ debt is reflected in a public record, credit
 28 report or equivalent, or CAIVRS or an Equivalent System, the Mortgagee
 29 must verify the validity and delinquency status ~~of the debt~~ by contacting the
 30 creditor agency to whom the debt is owed. ~~If the debt was identified through~~
 31 ~~CAIVRS, the Mortgagee must contact the creditor agency using the contact~~
 32 ~~phone number and debt reference number reflected in the Borrower's~~
 33 ~~CAIVRS report.~~

34 ~~Mortgagees must obtain documentation supporting the verification and~~
 35 ~~resolution of the debt in accordance with~~ If the creditor agency confirms that
 36 ~~the debt is valid and in delinquent status as defined by~~ the [Debt Collection](#)

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

1. Origination/Processing

1 Improvement Act; For debts reported through CAIVRS, evidence of
2 resolution may be obtained through a clear CAIVRS report. then the Borrower
3 is ineligible for an FHA-insured Mortgage until the Borrower resolves the
4 debt with the creditor agency.

5 A Borrower may become eligible for FHA-insured financing once the
6 delinquency is resolved or by documenting the information is invalid. The
7 Mortgagee may not deny a Mortgage solely on the basis of CAIVRS
8 information that has not been verified by the Mortgagee. If resolved either by
9 determining that the information in CAIVRS is no longer valid or by resolving
10 the delinquent status as stated above, the Mortgagee may continue to process
11 the mortgage application.

12 **(c) Resolution**

13 In order for a Borrower with verified delinquent Federal Debt to become
14 eligible, the Borrower must resolve their federal non-tax debt in accordance
15 with the Debt Collection Improvement Act.

16 The creditor agency that is owed the debt can verify that the debt has been
17 resolved in accordance with the Debt Collection Improvement Act.

18 **(d) Required Documentation**

19 The Mortgagee must include documentation from the creditor agency to
20 support the verification and resolution of the debt. For debt reported through
21 CAIVRS, the Mortgagee may obtain evidence of resolution by obtaining a
22 clear CAIVRS report.

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

B. Title II Insured Housing Programs Reverse Mortgages

2. Origination/Processing

(12) Borrower Ineligibility Due to Federal Administrative Offset for Delinquent Child Support

(a) Standard

Borrowers are ineligible for an FHA-insured HECM if they have delinquent child support obligations subject to federal administrative offset. Identification of these obligations is determined in FHA Connection (FHAC) through an automated screening against the U.S. Department of the Treasury’s Treasury Offset Program (TOP) Debt Check database within the Do Not Pay (DNP) portal.

(b) Verification and Required Documentation

If a Borrower is identified through FHAC as being subject to federal administrative offset for delinquent child support, the Mortgagee must notify the Borrower and provide them with the TOP’s website <https://fiscal.treasury.gov/debt-management/treasury-offset-program-top> to obtain information on resolving the delinquency.

To document resolution, the Mortgagee must obtain:

- a subsequent clear screening of the Borrower through FHAC; or
- documentation from the relevant child support enforcement authority verifying that the child support obligation is no longer subject to the federal administrative offset.

A Borrower may become eligible for FHA-insured financing once the delinquent child support obligation is no longer subject to federal administrative offset.

(1213) Valid First and Second Liens

The Mortgagee must ensure that the mortgaged Property will be free and clear of all liens or that any permissible liens are subordinated to the first HECM lien and any second lien held by the Commissioner. The Mortgagee must ensure there are no restrictions on conveyance, unless such restrictions are permitted by FHA regulations.

An existing lien of record, unless prohibited, may be subordinated to the first HECM lien and any second lien held by the Commissioner if the following two conditions are satisfied:

- the subordinate lien does not intervene between the first and second HECM liens; and
- the subordinate lien must not arise or be made in connection with obtaining HECM financing. FHA regulations at 24 CFR 206.32 provide that there must not be any outstanding or unpaid obligations incurred by the Borrower in connection with the HECM transaction.

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

B. Title II Insured Housing Programs Reverse Mortgages

2. Origination/Processing

1 The original Mortgagee may provide processing documents but is not required
2 to do so.

3 The original Mortgagee may not charge the Borrower for the transfer of any
4 documents, but the original Mortgagee may negotiate a fee with the new
5 Mortgagee for providing the processing documents.

6 (b) Case Number Transfer Involving a Sponsored Third-Party Originator

7 Where a case number is transferred to a new approved Mortgagee or
8 sponsored TPO, the original Mortgagee, its authorized agent, or sponsored
9 TPO that is also an FHA-approved Mortgagee must complete the appropriate
10 sections in [FHAC](#) as described in the [FHAC Guide – Case Processing Support](#)
11 [Functions](#).

12 (5) Preliminary Review of Borrower Eligibility Requirements

13 Before any charges may be incurred by the prospective Borrower, the Mortgagee
14 must preliminarily review whether:

- 15 • the Borrower will be at least 62 years of age by closing;
- 16 • the Borrower has any unresolved delinquent Federal Debt – see
17 [Delinquent Federal Tax Debt](#) (II.B.2.b.ii(A)(10)) and [Borrower](#)
18 [Ineligibility Due to Delinquent Federal Non-Tax Debt](#);
- 19 • [the Borrower is ineligible due to federal administrative offset for](#)
20 [delinquent child support – see Borrower Ineligibility Due to Federal](#)
21 [Administrative Offset for Delinquent Child Support](#); and
- 22 • the Property securing the HECM will be the Borrower’s Principal
23 Residence.

24 If, after a review of these requirements, the Mortgagee finds that the Borrower is
25 ineligible, the Mortgagee must notify the Borrower in writing of their ineligibility
26 and cease processing of the application. The Mortgagee can charge the Borrower
27 for any services performed after this determination.

28 (6) Ordering Title Commitments

29 The Mortgagee must order a title commitment to ensure the Property will be
30 properly titled and the HECM secured in accordance with FHA requirements.

31 (7) Ordering Appraisals

32 The Mortgagee must order a new appraisal for each HECM case number
33 assignment and may no reuse an appraisal that was performed under another
34 active or endorsed case number, even if the prior appraisal is not yet more than
35 180 Days old.

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

B. Title II Insured Housing Programs Reverse Mortgages

5. Performing the Financial Assessment of the Borrower

1 The Mortgagee must obtain a written explanation from the Borrower for all
2 inquiries shown on the credit report that were made in the last 90 Days.

3 **(2) Required Documentation**

4 The Mortgagee must document all undisclosed debt and support for its analysis of
5 the Borrower's debt.

6 **(D) Federal Debt**

7 **(1) Definition**

8 Federal Debt refers to debt owed to the federal government for which regular
9 payments are being made.

10 **(2) Standard**

11 The amount of the required payment must be included in the calculation of the
12 Borrower's monthly expenses.

13 **(3) Required Documentation**

14 The Mortgagee must include documentation from the federal agency evidencing
15 the repayment agreement and verification of payments made, if applicable.

16 **(E) Alimony, Child Support, and Maintenance**

17 **(1) Definition**

18 Alimony, Child Support, and Maintenance are court-ordered or otherwise agreed
19 upon payments.

20 **(2) Standard**

21 For Alimony, if the Borrower's income was not reduced by the amount of the
22 monthly alimony obligation in the Mortgagee's calculation of the Borrower's
23 gross income, the Mortgagee must verify and include the monthly obligation in its
24 calculation of the Borrower's monthly expenses.

25 Child Support and Maintenance are to be treated as a recurring liability and the
26 Mortgagee must include the monthly obligation in the Borrower's liabilities and
27 monthly expenses.

28 **Mortgagees must also follow requirements in [Borrower Ineligibility Due to](#)**
29 **[Federal Administrative Offset for Delinquent Child Support for Borrowers with](#)**
30 **[delinquent child support subject to federal administrative offset.](#)**

31 **(3) Required Documentation**

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT**B. Title II Insured Housing Programs Reverse Mortgages****2. Origination/Processing**

(11) Borrower Ineligibility Due to Delinquent Federal Non-Tax Debt**(a) Definition**

Judgment refers to any debt or monetary liability of the Borrower created by a court or other adjudicating body.

(b) Standard

Borrowers are ineligible ~~Mortgagees are prohibited from processing an application for an FHA-insured HECM for Borrowers with~~ **if they have** delinquent federal non-tax debt, including deficiency Judgments and other debt associated with past FHA-insured Mortgages **until the debt is resolved.** ~~Mortgagees must suspend processing of the application until the debt has been resolved with the creditor agency.~~ Mortgagees **must** ~~are required to~~ determine whether the Borrowers have delinquent federal non-tax debt **by** ~~-.Mortgagees may obtain~~**ing** information ~~on delinquent Federal Debts~~ from public records, credit reports or equivalent, and **must** ~~check~~**ing** all Borrowers against the [Credit Alert Verification Reporting System \(CAIVRS\)](#).

(c) Verification and Required Documentation

If a delinquent ~~F~~**federal** ~~Debt~~ **non-tax** debt is reflected in a public record, credit report or equivalent, or CAIVRS or an Equivalent System, the Mortgagee must verify the validity and delinquency status ~~of the debt~~ by contacting the creditor agency to whom the debt is owed. ~~If the debt was identified through CAIVRS, the Mortgagee must contact the creditor agency using the contact phone number and debt reference number reflected in the Borrower's CAIVRS report.~~

Mortgagees must obtain documentation supporting the verification and resolution of the debt in accordance with ~~If the creditor agency confirms that the debt is valid and in delinquent status as defined by~~ [the Debt Collection Improvement Act.](#); **For debts reported through CAIVRS, evidence of resolution may be obtained through a clear CAIVRS report.**

A Borrower may become eligible for an FHA-insured HECM once the delinquency is resolved or by documenting the information is invalid.

~~-then the Borrower is ineligible for an FHA-insured HECM until the Borrower resolves the debt with the creditor agency.~~

~~The Mortgagee may not deny a HECM solely based on the CAIVRS information that has not been verified by the Mortgagee. If resolved either by determining that the information in CAIVRS is no longer valid or by resolving the delinquent status as stated above, the Mortgagee may continue to process the HECM application.~~

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

B. Title II Insured Housing Programs Reverse Mortgages

2. Origination/Processing

1 **~~(d) Resolution~~**

2 ~~For a Borrower with verified delinquent Federal Debt to become eligible, the~~
3 ~~Borrower must resolve their federal non-tax debt in accordance with the Debt~~
4 ~~Collection Improvement Act.~~

5 ~~The creditor agency that is owed the debt can verify that the debt has been~~
6 ~~resolved in accordance with the Debt Collection Improvement Act.~~

7 **~~(e) Required Documentation~~**

8 ~~The Mortgagee must include documentation from the creditor agency to~~
9 ~~support the verification and resolution of the debt. For debt reported through~~
10 ~~CAIVRS, the Mortgagee may obtain evidence of resolution by obtaining a~~
11 ~~clear CAIVRS report.~~

Drafting Table

III. SERVICING AND LOSS MITIGATION

A. Title II Insured Housing Programs Forward Mortgages

2. Default Servicing

- 1 • Pre-Foreclosure Sale (PFS); and
- 2 • Deed-in-Lieu (DIL) of Foreclosure.

3 In implementing HUD’s Loss Mitigation Program, the Mortgagee must:

- 4 • consider all reasonable means to address delinquency at the earliest possible time;
- 5 • adhere to the requirements for communication with Borrowers in Default as set out in
- 6 the [Collection Communication Timeline](#);
- 7 • utilize HUD’s Loss Mitigation Options to avoid foreclosure, when feasible; and
- 8 • re-evaluate each Delinquent Mortgage for Loss Mitigation Options, as required.

9 When reviewing Borrowers for Loss Mitigation Options, a streamlined or refinanced
 10 Mortgage on the same Property and by the same Borrowers is not considered a new
 11 Mortgage for seasoning requirements.

12 The Mortgagee may offer eligible Borrowers Loss Mitigation Options in accordance with
 13 program-specific procedures for:

- 14 • Section 203(q) Mortgages, Mortgages on Property in Allegany Reservation of Seneca
- 15 Indians;
- 16 • [Section 248 Mortgages](#) on Indian Land insured pursuant to Section 248 of the
- 17 National Housing Act; and
- 18 • [Section 247 Mortgages](#), Mortgages on Hawaiian Home Lands insured pursuant to
- 19 Section 247 of the National Housing Act.

20 **i. Definitions**

21 For the purposes of loss mitigation, the following definitions apply:

22 Borrower refers to the original Borrower who signs the Note and their heirs, executors,
 23 administrators, assigns, and approved substitute Borrowers. This includes any Borrower
 24 who is occupying or not occupying the Property.

25 Financial Hardship refers to an increase in living expenses or a loss of income affecting
 26 the Borrower’s ability to continue their Mortgage Payments as attested by the Borrower.

27 **ii. Servicemember Status**

28 The Mortgagee must offer eligible servicemember Borrowers mortgage protections under
 29 the SCRA and [Servicing FHA-Insured Mortgages for Servicemember-Borrowers](#).

30 **iii. Standard**

31 **(A) Eligibility to Participate in HUD Programs**

32 The Mortgagee must verify that the Borrowers are eligible to participate in HUD’s
 33 Loss Mitigation Program.

34 To be eligible to participate in HUD’s Loss Mitigation Program, the Borrower:

III. SERVICING AND LOSS MITIGATION

A. Title II Insured Housing Programs Forward Mortgages

2. Default Servicing

- 1 • may not own other real estate subject to FHA insurance, except within the
2 stated [exceptions](#);
- 3 • has not been the Borrower, except through inheritance or as a co-signer only,
4 on prior loans on which an FHA claim has been paid within the past three
5 years;
- 6 • for purposes of a Loan Modification, Partial Claim, Combination Loan
7 Modification and Partial Claim, or Payment Supplement, must not be
8 debarred, suspended or subject to a HUD Limited Denial of Participation
9 (LDP) as determined in accordance with [Excluded Parties](#) requirements; and
- 10 • for purposes of a Partial Claim, Combination Loan Modification and Partial
11 Claim, or Payment Supplement, may not have unresolved delinquent Federal
12 Debt **or delinquent child support subject to federal administrative offset** as
13 determined in accordance with [Borrower Ineligibility Due to Delinquent](#)
14 [Federal Non-Tax Debt](#) and [Borrower Ineligibility Due to Federal](#)
15 [Administrative Offset for Delinquent Child Support](#) requirements. The
16 Delinquent FHA-insured Mortgage associated with the Loss Mitigation does
17 not constitute a disqualifying delinquent Federal Debt.

(1) Occupancy

(a) Definitions

19 An Owner-Occupant Borrower refers to a Borrower residing in the Property
20 secured by the FHA-insured Mortgage as a Principal Residence.
21

22 A Non-Occupant Borrower refers to a Borrower on a Mortgage securing a
23 Property that is not occupied by any Borrower or is not the Principal
24 Residence.

(b) Standard

25
26 The Mortgagee must consider Owner-Occupant Borrowers and Non-Occupant
27 Borrowers for all Loss Mitigation Options.

(2) Non-Borrowers Who Acquired Title through an Exempted Transfer

28
29 The Mortgagee may consider Repayment Plans, Forbearances, Permanent Home
30 Retention Options, and Home Disposition Options for a non-borrower who
31 acquires title to a Property securing an FHA-insured Mortgage if the Mortgage is
32 not due and payable pursuant to the [Garn-St. Germain Depository Institutions](#)
33 [Act](#), (i.e., an Exempted Transfer), and that the non-Borrower:

- 34 • is willing to assume personal liability for repayment of the Mortgage in
35 accordance with the agreed loss mitigation terms;
- 36 • will occupy the home as a Principal Residence;
- 37 • meets the criteria for loss mitigation assistance;