



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

OFFICE OF PUBLIC AND INDIAN HOUSING

Date: June 30, 2021

Dear Lender Letter 2021-06

To: All Tribes
All Tribally Designated Housing Entities
All Section 184 Approved Lenders and Servicers
All Section 184A Approved Lenders and Servicers

Subject Section 184 Indian Home Loan Guarantee program (Section 184) and Section 184A Native Hawaiian Home Loan Guarantee program (Section 184A) extension of foreclosure and eviction moratoriums and further expansion of the COVID-19 Forbearance.

Purpose The purpose of this Dear Lender Letter (DLL) is to inform Lenders of further extensions for the foreclosure and eviction moratoriums and the Borrower's ability to request a COVID-19 Forbearance.

Effective Date The provisions of this DLL are effective immediately.

Public Feedback HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send feedback to the Office of Loan Guarantee at Section184Comments@hud.gov. HUD will consider the feedback in determining the need for future updates.

Affected Programs This guidance applies to the Section 184 and Section 184A programs.

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Affected Topics

This guidance amends and further extends the provisions of DLL 2021-02. The technical changes and updates in this DLL supersede the requirements of PIH Notice 2014-11 and the Section 184A Processing, Guidelines, where they conflict.

Background

HUD continues to review its policies to ensure Lenders and Borrowers are provided with appropriate options to mitigate the financial impacts of the COVID-19 pandemic while managing risk to the Section 184 and Section 184A programs. To assist with the response to COVID-19 and the ongoing economic recovery, and in concert with its mission of sustaining homeownership, HUD is further extending its foreclosure and eviction moratorium as well as the associated deadline for first legal action and Reasonable Diligence Time Frame.

To address the financial impacts of the pandemic, HUD initially imposed a moratorium beginning on March 20, 2020, when HUD published DLL 2020-04. HUD further extended the moratorium multiple times to prevent individuals and families from being displaced during this critical period. To support the improved economic outlook and the overall progress towards recovery from the COVID-19 pandemic, HUD is issuing an additional extension to the moratorium for all Section 184 and Section 184A guaranteed loans except those secured by legally vacant or abandoned properties.

On May 19, 2020, HUD established the COVID-19 Forbearance option under DLL 2020-06. HUD has extended the deadlines for approval of an initial COVID-19 Forbearance most recently to June 30, 2021 through DLL 2021-02. Due to the continued impacts of the COVID-19 pandemic on Borrowers across the country, HUD recognizes a further need to extend these deadlines to allow Borrowers additional time to request a COVID-19 Forbearance, if needed.

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Summary of Changes

Changes for Borrowers Affected by the COVID-19 National Emergency include:

- Extending the Foreclosure and Eviction Moratorium through July 31, 2021.
 - Extending the deadline for the first legal action and reasonable diligence timeframe to 180 days beyond the expiration of the Foreclosure and Eviction Moratorium.
 - Extending the COVID-19 Forbearance start date through September 30, 2021.
 - Creating an additional three-month COVID-19 Forbearance extension for Borrowers initiating a COVID-19 Forbearance between July 1, 2021 – Sept. 30, 2021.
 - Clarifying the time frames and extensions for a COVID-19 Forbearance, depending on the start date of the Forbearance.
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Moratorium on Foreclosures and Evictions Extension of Deadlines

Section 184 and 184A guaranteed loans, excluding those with vacant or abandoned properties, are subject to an extension to the moratorium on foreclosure through July 31, 2021. The moratorium applies to the initiation of foreclosures and to foreclosures in process.

Evictions of persons from properties subject to Section 184 or 184A guaranteed loans, excluding actions to evict unlawful occupants of vacant or abandoned properties, are also suspended through July 31, 2021.

Extension of First Legal Deadline Date

The deadline for the first legal action and reasonable diligence timeframes are extended to 180 days from the date of expiration of this moratorium for all Section 184 and 184A guaranteed mortgage loans except for Section 184 and 184A guaranteed mortgage loans secured by vacant or abandoned properties.

Update to the COVID-19 Forbearance Start Date

Lenders may approve an initial COVID-19 Forbearance period for Section 184 or 184A guaranteed loans through September 30, 2021. This COVID-19 Forbearance period must not extend beyond March 31, 2022.

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COVID-19 Forbearance Period, Based on Date of Initial COVID-19 Forbearance

Initial COVID-19 Forbearance Requested on or before June 30, 2020

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Lender. After 12 months of COVID-19 Forbearance, if needed, the Borrower may request, and the Lender must approve, up to two additional three-month COVID-19 Forbearance extension periods. Each three-month extension must be requested individually. Neither of the two additional three-month extension periods may extend beyond December 31, 2021. The maximum COVID-19 Forbearance period for these borrowers is 18 months.

Initial COVID-19 Forbearance Requested between July 1, 2020 and September 30, 2020

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Lender. After 12 months of COVID-19 Forbearance, if needed, the Borrower may request, and the Lender must approve, one additional three-month COVID-19 Forbearance extension period. The additional three-month extension period must not extend beyond December 31, 2021. The maximum COVID-19 Forbearance period for these borrowers is 15 months.

Initial COVID-19 Forbearance Requested between October 1, 2020 and June 30, 2021

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Lender. The COVID-19 Forbearance must not extend beyond June 30, 2022. The maximum COVID-19 Forbearance period for these borrowers is 12 months.

COVID-19 Forbearance Requested between July 1, 2021 and September 30, 2021

The maximum COVID-19 Forbearance period for these borrowers is six months. This COVID-19 Forbearance period must not extend beyond March 31, 2022.

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Initial Forbearance Date	Initial Forbearance Period	Additional Forbearance Period	Forbearance Extensions	Maximum Forbearance Period	No Later Than End Date for Forbearance
March 1, 2020 – June 30, 2020	Up to 6 months	Up to 6 months	Up to 6 months (in 3 month increments)	Up to 18 months	December 31, 2021
July 1, 2020 – Sept. 30, 2020	Up to 6 months	Up to 6 months	Up to 3 months	Up to 15 months	December 31, 2021
Oct. 1, 2020 – June 30, 2021	Up to 6 months	Up to 6 months	0	Up to 12 months	June 30, 2022
July 1, 2021 – Sept. 30, 2021	Up to 6 months	0	0	Up to 6 months	March 31, 2022

Questions

Any questions regarding this DLL may be directed to Krisa.M.Johnson@hud.gov

Signature



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for Public and Indian Housing