



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

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

DATE: October 1, 2018

MORTGAGEE LETTER: 2018-07

TO: ALL APPROVED FHA MORTGAGEES

SUBJECT: Revision to Mortgagee Letter 2004-21 dated June 15, 2004  
Revised Procedures for the Submission of Form HUD-9807,  
Insurance Termination Request for Multifamily Mortgage  
(OMB Approval Number 2502-0416) for Prepayment  
Approval

This mortgagee letter provides updated guidance on the submission requirements of form HUD-9807, Insurance Termination Request for Multifamily Mortgage, for obtaining prepayment approval. Currently, all form HUD-9807s are submitted to the Office of Finance and Budget's Multifamily Insurance Operations Branch (MFIQB) at [MFIQBTerminations@hud.gov](mailto:MFIQBTerminations@hud.gov). To expedite the prepayment review and approval process for FHA-insured multifamily and Section 232 properties, HUD is revising its process effective for requests submitted on or after October 1, 2018. The prepayment approval process for FHA-insured Section 236 mortgages and Section 242 (hospital) mortgages are not impacted by this memorandum, however, the requests must now be sent to: [Revised9807Terminations@hud.gov](mailto:Revised9807Terminations@hud.gov).

The revised process will have Office of Asset Management and Portfolio Oversight (OAMPO) or Office of Residential Care Facility (ORCF) staff receiving and processing the initial step in this process. The final step in the termination of mortgage insurance following prepayment will continue to be processed by MFIQB staff.

**Office of Multifamily Housing only:**

For FHA-insured multifamily projects (excluding FHA-insured Section 232 mortgages), mortgagees will submit form HUD-9807, with Blocks 1, 2, 3, 4, and 6 through 17 completed, to the following mailbox:

[FAMD9807Processing@hud.gov](mailto:FAMD9807Processing@hud.gov)

Mortgagees may, at their option, include a copy of the Mortgage/Deed of Trust Note, and any amendments or modifications, with their submission.

**Office of Residential Care Facilities only:**

For Section 232 projects, mortgagees will submit form HUD-9807, with Blocks 1, 2, 3, 4, and 6 through 17 completed, to the following Section 232 Portal at:

<https://www.232hudhealthcare.com>

Instructions on use of the portal can be found on the Office of Residential Healthcare's website at:

[https://www.hud.gov/federal\\_housing\\_administration/healthcare\\_facilities/residential\\_care](https://www.hud.gov/federal_housing_administration/healthcare_facilities/residential_care)

Mortgagees will include a copy of the Mortgage/Deed of Trust, Pre-Payment Rider (including any amendments) and, if applicable, a copy of the master lease with their submission. Moreover, if one or more projects that are subject to a master lease will remain FHA-insured, an analysis of the impact of the prepayment on those projects must be submitted (e.g., trailing 12-month debt service coverage ratio on operations of each project).

OAMPO or ORCF staff will review the form HUD-9807 requests for prepayment approval. Upon completion of the review, OAMPO or ORCF will issue the terms and conditions of the approval, if applicable, or where a request is denied, OAMPO or ORCF will notify the mortgagee of the reason(s) for the denial. OAMPO or ORCF will forward the final approval to the mortgagee via email, with applicable attachment(s). A copy of the final prepayment approval will be provided to MFIOB, who is responsible for processing the termination of the mortgage insurance.

Once the mortgagee confirms all conditions noted in the prepayment approval have been met, and prepayment is accepted, the mortgagee may then submit form HUD-9807, with all blocks completed, along with a copy of the prepayment approval, to [Revised9807Terminations@hud.gov](mailto:Revised9807Terminations@hud.gov) for review and processing of the termination of mortgage insurance.

If you have any questions regarding the OAMPO or ORCF review steps in the prepayment process for those mortgages to which this memorandum applies, please email them to [FAMD9807Processing@hud.gov](mailto:FAMD9807Processing@hud.gov) (for FHA-insured multifamily mortgages) or [angela.b.collier@hud.gov](mailto:angela.b.collier@hud.gov) (for Section 232 mortgages).

If there are any questions concerning MFIOB's processing of the termination of mortgage insurance, mortgagees should contact Iva L. Elliott at (202) 402-2810.

Sincerely,

Brian D. Montgomery  
Assistant Secretary for Housing –  
Federal Housing Commissioner