



ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**Date:** April 6, 2020

**Mortgagee Letter 2020-07**

**To:** All FHA-Approved Mortgagees  
All Direct Endorsement Underwriters  
All Eligible Submission Sources for Condominium Project Approvals  
All FHA Roster Appraisers  
All FHA-Approved 203(k) Consultants  
All HUD-Approved Housing Counselors  
All HUD-Approved Nonprofit Organizations  
All Governmental Entity Participants  
All Real Estate Brokers  
All Closing Agents

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**Subject** *FHA Catalyst: Case Binder Module – Single Family Forward and Home Equity Conversion Mortgage (HECM) Electronic Endorsement Submission*

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**Purpose** This Mortgagee Letter (ML) announces additional functionalities to the Federal Housing Administration's (FHA) implementation of *FHA Catalyst*, a new web-based platform, and provides information for Mortgagees to prepare and submit case binders for endorsement electronically through FHA's new platform.

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**Effective Date** Effective immediately, the *FHA Catalyst: Case Binder Module* is available as an option for submission of Single Family Forward and HECM case binders for endorsement.

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**Background** On March 13, 2020, President Trump declared a National Emergency concerning the Coronavirus (COVID-19) outbreak and initiated actions to stem the threat to public health and the American economy. Many of these actions include the need to avoid contact with other people or stay home. Also, many employers have suspended non-essential operations in compliance with State and Local government directives. This has hampered the ability of Mortgagees to fully comply with FHA requirements for the delivery of Single Family Forward and HECM paper case binders as well as hampering FHA's ability to process such paper case binders. As a result, FHA is accelerating the development and deployment of a system to securely deliver case binders electronically for endorsement. This system, while limited in initial functionality, will enable Mortgagees and FHA to continue to provide mortgages and mortgage insurance functions critical to the stability of the housing market during this emergency.

### **Platform Overview and Functionality**

FHA approved Mortgagees can use *FHA Catalyst: Case Binder Module* to electronically transmit Single Family Forward and HECM case binders for mortgage endorsement. A separate case binder must be submitted for each mortgage endorsement as further detailed in the *FHA Catalyst: Case Binder Module* user guide. Case binders must be formatted in accordance with the existing paper Uniform Case Binder Stacking order for Single Family Forward mortgages and the HECM Required Documents for Endorsement List for HECM mortgages with the “Left Side” appearing first.

By transmitting a case binder through the *FHA Catalyst: Case Binder Module*, the Mortgagee is certifying that the documents submitted electronically are true and correct copies of the original documents.

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### **Platform Access and User Guide**

Mortgagees may request access to *FHA Catalyst: Case Binder Module* via the FHA Resource Center at [answers@hud.gov](mailto:answers@hud.gov) or 1-800-Call FHA (1-800-225-5342).

A user guide for the *FHA Catalyst: Case Binder Module* is available on the [FHA Single Family Website](#).

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### **Affected Processes Forward Mortgages**

The *FHA Catalyst: Case Binder* module may be used in conjunction with the following requirements in Handbook 4000.1 Section II.A.7.d Procedures for Endorsement:

- Non-Lender Insurance (non LI) Mortgagees may use the *FHA Catalyst: Case Binder* delivery module for initial submission, and to re-submit case binders for reconsideration after a Notice of Return. Mortgagees exercising this option must also comply with the guidance in II.A.7.d.iii, Case Binder Submission – Direct Endorsement Non-Lender Insurance.
- Lender Insurance (LI) Mortgagees, not approved for electronic Case Binder (eCB) submission through FHA Connection, may use the *FHA Catalyst: Case Binder* delivery module for submission of case binders for Severe Case Warnings. Mortgagees exercising this option must also comply with the guidance in II.A.7.d.vi, Case Warnings- Lender Insurance (LI). Mortgagees with Conditional Direct Endorsement Approval may use the *FHA Catalyst: Case Binder* delivery module for initial submission of Test Cases. Mortgagees exercising this option must also comply with the guidance in I.A.5.a.iii.(A)(3), Test Case Phase and II.A.7.d.vii, Mortgagees with Conditional Direct Endorsement Approval (Test Case).

Lender Insurance (LI) Mortgagees are not required to submit case binders for endorsement, as described in Handbook 4000.1 Section II.A.7.d.v,

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Endorsement Processing – Lender Insurance, and therefore are not affected by this process.

### **Affected Processes HECM Mortgages**

Mortgagees may use the *FHA Catalyst*: Case Binder module for submission of case binders associated with endorsement of HECMs for the following processes: initial case binder submission, Notice of Return case binder re-submission, and test case binder submission. Mortgagees exercising this option must also comply with the guidance in 24 CFR §206.115, Handbook 4235.1 REV-1 Chapter 6-11, ML 2014-22, and ML 2013-02.

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### **Mortgagee and Loan Level Monitoring**

The *FHA Catalyst*: Case Binder module excludes the delivery of both Single Family Forward and HECM case binders selected for post endorsement review in accordance with Handbook 4000.1 Section V.C.2.b Title II Mortgagee Monitoring Reviews and Section V.C.3.b Title II Loan Reviews.

Mortgagees approved for FHA’s existing electronic Case Binder (eCB) delivery method through FHA Connection (FHAC) must continue to send electronic binders through FHAC.

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### **4000.1 FHA SF Policy Handbook**

The provisions of this ML will be incorporated into the [4000.1 FHA Single Family Housing Policy Handbook](#) at a future date.

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### **Information Collection**

Paperwork reduction information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0059 and 2502-0524. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

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### **Questions**

For additional information on this ML, please visit [www.hud.gov/answers](http://www.hud.gov/answers) or call FHA’s Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number via TTY by calling the Federal Relay Service at 1-800-877-8339.

### **Signature**

Brian D. Montgomery  
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