



ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: June 12, 2020

Mortgagee Letter 2020-18

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 Non-profit Counselors
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject	FHA Catalyst: Claims Module - Single Family Forward Loss Mitigation Home Retention Claims
Purpose	This Mortgagee Letter (ML) announces a new claim submission method through <i>FHA Catalyst</i> for loss mitigation home retention claim types.
Effective Date	Effective June 15 th , 2020, the <i>FHA Catalyst</i> platform is available for mortgagees to submit loss mitigation home retention claims electronically.
Public Feedback	HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide any feedback on this policy document, please send comments to the FHA Resource Center at answers@hud.gov . HUD will consider the feedback in determining the need for future updates.
Affected Programs	This guidance applies to the FHA Title II Single Family forward mortgage program.

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Background

FHA-approved mortgagees may use *FHA Catalyst* to electronically transmit single or bulk loss mitigation home retention claims necessary to support the claim submission. HUD previously issued Mortgagee Letters 2020-07 and 2020-08, providing *FHA Catalyst* functionality for supplemental claims and for case binder electronic endorsement submission. These functionalities will be incorporated into a later update of HUD Single Family Housing Policy Handbook 4000.1.

Submission of loss mitigation home retention claims through the *FHA Catalyst* platform is optional. Mortgagees remain responsible for proper submission of loss mitigation home retention claims and ensuring they meet FHA's requirements and standards for such submissions. By transmitting a loss mitigation home retention claim, the Mortgagee is certifying that the statements and information submitted are true and correct.

Platform Access and User Guide

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

A user guide for the *FHA Catalyst: Claims Module* is available at https://www.hud.gov/program_offices/housing/fhatechmod001 including logging in to the module and steps for completing and submitting single or bulk loss mitigation claims.

Training

Training for the *FHA Catalyst: Claims Module* is available at https://www.hud.gov/program_offices/housing/fhatechmod001.

Summary of Changes

HUD is establishing new claim submission methods through *FHA Catalyst* for loss mitigation home retention claim types in the Methods of Submission of Claims (IV.A.1.a.vii) and in Claim Types (IV.A.2) as follows:

- Claim Type 31 - Special Forbearance
 - Claim Type 32 ** - FHA-HAMP Loan Modification
 - Claim Type 33 ** - FHA-HAMP Partial Claim
 - Claim Type 33 Natural Disaster Standalone Partial Claim
 - Claim Type 33 National Emergency Standalone Partial Claim
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HUD Single Family Housing Policy Handbook 4000.1

The above-mentioned policy changes will be incorporated into Handbook 4000.1 and appear as follows:

Methods of Submission of Claims (IV.A.1.a.vii)

(C) FHA Catalyst: Claims Module

(1) Definition

FHA Catalyst is an online system for Mortgagees to electronically submit claims.

(2) Standard

HUD provides notice of claim types that Mortgagees may file through FHA Catalyst. The Mortgagee may submit Loss Mitigation Home Retention claims and Supplemental claims, which include information found on Form HUD-27011, Single Family Application for Insurance Benefits, and any relevant supporting documentation, via FHA Catalyst: Claims Module.

The Mortgagee may not use FHA Catalyst for filing Single Family Loan Sale (SFLS) claims, Loss Mitigation Home Disposition Option claims, Property located on Indian Land claims, Hawaiian Home Land claims, and CWCOT claims.

(3) FHA Catalyst Technical Guidance

The Mortgagee may find information on using FHA Catalyst in HUD's guide for the FHA Catalyst: Claims Module available at https://www.hud.gov/program_offices/housing/fhatechmod001.

(4) Application Advice and Error Correction

The Mortgagee may check the status of its claim submission entered in FHA Catalyst: Claims Module through FHAC to determine if it has been denied or requires corrective action.

Claim Types (IV.A.2)

f. Claim Type 31 – Special Forbearance

The Mortgagee may file a claim for an [SFB-Unemployment](#) incentive under Claim Type 31. HUD will pay the Mortgagee a financial incentive for the use of an SFB-Unemployment Option in compliance with all regulatory requirements and procedures relating to the submission of incentive claims.

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HUD must receive a correct and complete claim submission of Parts A and B via FHAC **or FHA Catalyst** within 60 Days of the execution date of the SFB-Unemployment Agreement or the incentive claim will not be processed.

g. Claim Type 32 ** – FHA-HAMP Loan Modification

The Mortgagee may file a claim for an [FHA-HAMP Loan Modification](#) incentive, including up to \$250 in title-related expenses, under Claim Type 32 **. HUD will pay the Mortgagee a financial incentive for the use of an FHA-HAMP Loan Modification in compliance with all regulatory requirements and procedures relating to the submission of incentive claims.

The Mortgagee may only file for an incentive fee for the Loss Mitigation Option used to cure the Default. When the FHA-HAMP Partial Claim and FHA-HAMP Loan Modification are used together, the Mortgagee must submit two separate claims for the incentives for these two options.

HUD must receive a correct and complete claim submission of Parts A and B via FHAC **or FHA Catalyst** within 60 Days of the execution date of the FHA-HAMP Loan Modification or the incentive claim will not be processed.

h. Claim Type 33 ** – FHA-HAMP Partial Claim

The Mortgagee may file a claim for an [FHA-HAMP Partial Claim](#) incentive and insurance benefits under Claim Type 33 **. The Mortgagee may include in its claim [legal fees and foreclosure costs for partial claims](#) as outlined in the Servicing and Loss Mitigation section of the *SF Handbook*. HUD will pay the Mortgagee a financial incentive for the use of an FHA-HAMP Partial Claim in compliance with all regulatory requirements and procedures relating to the submission of incentive claims. The Mortgagee may only file for an incentive fee for the Loss Mitigation Option used to cure the Default. When the FHA-HAMP Partial Claim and FHA-HAMP Loan Modification are used together, the Mortgagee must submit two separate claims for the incentives for these two options.

HUD must receive a correct and complete claim submission of Parts A and B via FHAC **or FHA Catalyst** within 60 Days of the execution date of the promissory Note and Mortgage or the incentive will be disallowed.

i. Claim Type 33 – Natural Disaster Standalone Partial Claim

The Mortgagee may file a claim for a Natural Disaster Partial Claim insurance benefit under Claim Type 33, using the default reason code 43. The Mortgagee may include in its claim, the accumulated arrearages for unpaid accrued interest, and eligible unreimbursed Mortgagee advances and related fees and costs chargeable to the Mortgagee as outlined in the Servicing and Loss Mitigation section of the *SF Handbook*.

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HUD must receive a correct and complete claim submission of Parts A and B via FHAC or FHA Catalyst.

j. Claim Type 33 – National Emergency Standalone Partial Claim

The Mortgagee may file a claim for a National Emergency Partial Claim insurance benefit for the COVID-19 National Emergency Standalone Partial Claim under Claim Type 33, using the default reason code 55. The Mortgagee may include in its claim, only arrearages, which consists of Principal, Interest, Taxes, and Insurance as outlined in section III.A.3.d *Presidentially-Declared COVID-19 National Emergency* established in ML 2020-06, *FHA's Loss Mitigation Options for Single Family Borrowers Affected by the Presidentially-Declared COVID-19 National Emergency in Accordance with the CARES Act*.

HUD must receive a correct and complete claim submission of Parts A and B via FHAC or FHA Catalyst.

Paperwork Reduction Act

The 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 2502-0429, 2502-0589, and 2502-0611. 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.

Questions

For additional information on this Mortgagee Letter, please visit 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

Len Wolfson
Acting Assistant Secretary for Housing –
Federal Housing Commissioner