Mortgagee Letter 2020-32

Date: September 28, 2020

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

Subject | FHA Catalyst: Claims Module – Expanded Functionality for Reacquisition Claims

Purpose | This Mortgagee Letter (ML) announces a new submission method through FHA Catalyst for reacquisition claims by Mortgagees.

Effective Date | Effective September 28, 2020, the FHA Catalyst platform is available for Mortgagees to submit reacquisition claims electronically.

All policy updates will be incorporated into a forthcoming update of the HUD Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1).

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 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.
Background

In situations where HUD has reconveym a Property back to a Mortgagee and the Mortgagee has corrected the deficiency, the Mortgagee may submit a reacquisition claim for FHA benefits. Mortgagees currently only submit reacquisition claims to HUD in paper format.

HUD previously issued MLs 2020-07, 2020-08, 2020-18, 2020-26, and 2020-29 providing FHA Catalyst functionality for case binder electronic endorsement submission, supplemental claims, loss mitigation home retention claims, post-endorsement loan reviews, and the Electronic Appraisal Delivery (EAD) Module. This ML extends the FHA Catalyst functionality to include reacquisition claims and updates the language in the requirement to more closely align with FHA processes. The updates to the FHA Catalyst will improve efficiency and provide Mortgagees with a more standard process for reacquisition claims.

Submission of a claim through the FHA Catalyst platform is optional. Mortgagees remain responsible for proper submission of claims and ensuring they meet FHA’s requirements and standards for such submissions. By transmitting a claim via FHA Catalyst, 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/FHACatalyst/claimsmodule including logging in to the module and steps for completing reacquisition claims.

Training

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

Summary of Changes

HUD is establishing a new claim submission method through FHA Catalyst for reacquisition claims in the Resubmission of Claim (IV.A.4.b.ii.(C)) section under Withdrawal or Cancellation of Conveyance Claims.

Single Family Housing Policy Handbook 4000.1

Resubmission of Claim (IV.A.4.b.ii.(C))

Once the MCM accepts the Property for reacquisition, the Mortgagee may reapply for insurance benefits. The Mortgagee must resubmit form
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[HUD-27011](#), Parts A and B, as applicable, via FHA Catalyst or send a new original paper form HUD-27011, Part A, and, where applicable, a new original paper form HUD-27011, Part B, with “Reacquisition” written at the top of both Part A and Part B, along with any required attachments to HUD at:

U.S. Department of Housing and Urban Development  
Single Family Claims Branch  
Attention: **Reacquisition** Claim  
451 7th Street SW, Room 6251  
Washington, D.C. 20410

**Paperwork Reduction Act**  
The information collection requirements contained in this document have been 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 Numbers 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0569; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0595 and 2502-0600. 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**  
Any questions regarding this Mortgagee Letter may be directed to the FHA Resource Center at 1-800-CALL-FHA. Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339. For additional information on this Mortgagee Letter, please visit [www.hud.gov/answers](http://www.hud.gov/answers).

**Signature**  
Dana T. Wade  
Assistant Secretary for Housing –  
Federal Housing Commissioner