



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

ASSISTANT SECRETARY FOR HOUSING
FEDERAL HOUSING COMMISSIONER

Date: October 20, 2020

Mortgagee Letter 2020-34

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 Update to the Date for Approving a COVID-19 Forbearance or COVID-19 Home Equity Conversion Mortgage (HECM) Extension

Purpose The purpose of this Mortgagee Letter (ML) is to extend the date for approving the initial COVID-19 Forbearance or COVID-19 HECM Extension published in ML 2020-06.

Effective Date This ML is 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 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 all FHA Title II Single Family mortgage programs.

Mortgagee Letter 2020-34, Continued

Affected Topics	<p>This ML extends the date by which Mortgagees must approve the initial COVID-19 Forbearance or HECM Extension provided in ML 2020-06.</p> <p>This HECM Extension provided in this ML and ML 2020-06 will also extend deadlines for a HECM related to:</p> <ul style="list-style-type: none">• Mortgagee Letter 2015-10, <i>Home Equity Conversion Mortgage (HECM) Due and Payable Policies</i>• Mortgagee Letter 2015-11, <i>Loss Mitigation Guidance for Home Equity Conversion Mortgages (HECMs) in Default due to Unpaid Property Charges</i>• 24 C.F.R. §206.125, <i>Acquisition and Sale of Properties</i> and §206.205, <i>Property Charges</i>
Background	<p>HUD is working to provide Mortgagees and Borrowers with Loss Mitigation Options due to the financial impacts of the COVID-19 pandemic. On April 1, 2020, HUD published ML 2020-06, which established the Forbearance for Borrowers Affected by the COVID-19 National Emergency (COVID-19 Forbearance), the COVID-19 Standalone Partial Claim, and an extension period for HECMs affected by COVID-19 (HECM Extension). On July 8, 2020, HUD published ML 2020-22, which established additional COVID-19 Loss Mitigation Options for Borrowers after the COVID-19 Forbearance period. Due to the continued COVID-19 pandemic and its impact on borrowers across the country, HUD recognizes the need to extend the deadline for approving a COVID-19 Forbearance or a HECM Extension beyond the October 30, 2020, date provided in ML 2020-06.</p> <p>Through this ML, HUD is allowing Mortgagees to approve Borrowers, impacted directly or indirectly by the COVID-19 pandemic, for an initial COVID-19 Forbearance or HECM Extension no later than December 31, 2020. The means of communication regarding a COVID-19 Forbearance and the terms of the COVID-19 Forbearance remain the same as established in MLs 2020-06 and 2020-22. The terms of a HECM Extension remain the same as established in ML 2020-06.</p>
Summary of Changes	<p>This ML updates ML 2020-06 by allowing Mortgagees to approve Borrowers to begin a COVID-19 Forbearance or HECM Extension Period no later than December 31, 2020.</p>
Update to the Effective Date in ML 2020-06	<p>Mortgagees may approve the initial COVID-19 Forward Forbearance or HECM Extension Period no later than December 31, 2020.</p>

Mortgagee Letter 2020-34, Continued

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.

Signature

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Federal Housing Commissioner