



ASSISTANT SECRETARY FOR HOUSING
FEDERAL HOUSING COMMISSIONER

Date: December 17, 2020

Mortgagee Letter 2020-44

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 Second Update to the COVID-19 Forbearance Start Date and the COVID-19 Home Equity Conversion Mortgage (HECM) Extension Period

Purpose The purpose of this Mortgagee Letter (ML) is to further update the Effective Date of ML 2020-06 with regards to approval of the initial COVID-19 Forbearance for FHA borrowers and HECM deadlines.

Effective Date This Mortgagee Letter 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.

Affected Topics This ML extends the date by which Mortgagees must approve the initial COVID-19 Forbearance provided in ML 2020-06 and extended by ML 2020-34.

Mortgagee Letter 2020-44, Continued

This ML will also extend deadlines to HECM found in ML 2020-06 related to:

- Mortgagee Letter 2015-10, *Home Equity Conversion Mortgage (HECM) Due and Payable Policies*
- Mortgagee Letter 2015-11, *Loss Mitigation Guidance for Home Equity Conversion Mortgages (HECMs) in Default due to Unpaid Property Charges*
- 24 C.F.R. §206.125, *Acquisition and Sale of Properties* and §206.205, *Property Charges*

Background

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 Home Equity Conversion Mortgages (HECM) affected by COVID-19. 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. On August 8, 2020, the President issued an Executive Order to minimize, to the greatest extent possible, residential evictions and foreclosures during the ongoing COVID-19 national emergency, and for HUD to take action to promote the ability of renters and homeowners to avoid eviction or foreclosure resulting from financial hardships caused by COVID-19. On October 20, 2020, HUD recognized the need to extend the deadlines both for beginning a COVID-19 Forbearance and for HECM beyond the October 30, 2020 date provided in ML 2020-06 and issued ML 2020-34 extending the deadline to December 31, 2020. Due to the continued COVID-19 pandemic and the continued impacts on borrowers across the country, HUD recognizes a further need to extend this deadline.

Through this ML, HUD is allowing mortgagees to approve FHA-borrowers, impacted directly or indirectly by the COVID-19 pandemic, for an initial COVID-19 Forbearance through February 28, 2021. 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. Through this ML, HUD is also extending the deadlines associated with the due and payable dates for a HECM for HECM borrowers impacted by the COVID-19 pandemic.

Mortgagee Letter 2020-44, Continued

Summary of Changes This ML updates ML 2020-06 by allowing Mortgagees to approve FHA borrowers to begin a COVID-19 Forbearance and extensions to HECM deadlines for HECM borrowers impacted by COVID-19, through February 28, 2021.

Update to the Effective Date in ML 2020-06 Mortgagees may approve the initial COVID-19 Forward Forbearance or HECM Extension Period no later than February 28, 2021.

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; 2502-0570; 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