



ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: December 2, 2024

Mortgagee Letter 2024-23

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 FHA-Approved Title I Lenders
All HUD-Certified Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject Revised Cyber Incident Reporting Requirements

Purpose This Mortgagee Letter (ML) supersedes ML 2024-10 and provides updated requirements for FHA-approved Mortgagees to notify HUD when a Reportable Cyber Incident occurs.

Effective Date The provisions of this ML are effective immediately.

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

Affected Programs The provisions of this ML apply to all FHA insurance programs.

Background FHA is revising its Cyber Incident reporting requirements to provide additional clarity and to better align FHA reporting requirements with computer-security incident notification standards established by the Federal banking agencies.¹ These revised requirements follow an unprecedented

¹ See Computer-Security Incident Notification Requirements for Banking Organizations and Their Bank Service Providers, 86 Fed. Reg. 66424 (Apr. 1, 2022) (codified at 12 C.F.R. pts 53, 225, and 304).

Mortgagee Letter 2024-23, Continued

influx of Cyber Incidents impacting FHA Mortgagees, beginning in Fiscal Year 2023.

HUD is an operational partner of its FHA Mortgagees and provides direct access to HUD systems and applications through transparency and trust relationships. It is vital that HUD receive early Cyber Incident notifications to defend its systems, including sensitive information within, and to enable swift and collaborative dialogue between HUD's Chief Information Security Officer and the FHA Mortgagee's security operations official when a Reportable Cyber Incident occurs.

Consistent with the Federal banking agencies, HUD encourages FHA Mortgagees to continue the effective practice of providing same-day notification to HUD when a Reportable Cyber Incident occurs.²

Summary of Changes

This ML requires FHA-Approved Mortgagees to notify HUD as soon as possible and no later than 36 hours after the Mortgagee has determined that a Reportable Cyber Incident has occurred.

FHA Single Family Housing Policy Handbook 4000.1

The policy changes supersede ML 2024-10 and will be incorporated into Handbook 4000.1 as follows:

Operational Compliance (V.A.2.b)

viii. **Reportable** Cyber Incident

Quality Control, Oversight, and Compliance

(A) Definition

A Cyber Incident is an occurrence that results in actual harm to the confidentiality, integrity, or availability of an information system or the information that the system processes, stores, or transmits.

A Reportable Cyber Incident is a Cyber Incident that has materially disrupted or degraded, or is reasonably likely to materially disrupt or degrade, the FHA-approved Mortgagee's ability to meet its operational obligations for originating or servicing FHA-insured Mortgages.

(B) Standard

An FHA-approved Mortgagee that has experienced a **Reportable** Cyber Incident must report the Cyber Incident to HUD's FHA Resource Center at answers@hud.gov and HUD's Security Operations Center at cirt@hud.gov

² See *Id.* at 66432.

as soon as possible and no later than 36 hours after the Mortgagee has determined that a Reportable Cyber Incident has occurred.

(C) Required Documentation

Cyber Incidents reported to HUD’s FHA Resource center at answers@hud.gov and HUD’s Security Operations Center at cirt@hud.gov must include the following information:

- (1) Mortgagee Name
- (2) Mortgagee ID
- (3) name, email address, and phone number of the Mortgagee’s point of contact for coordinating follow-up activities
- (4) description of the Cyber Incident, including the following, if known:
 - date of Cyber Incident
 - cause of Cyber Incident
 - impact to Personally Identifiable Information
 - impact to login credentials
 - impact to Information Technology (IT) system architecture
 - list of any impacted subsidiary or parent companies
- (5) description of the current status of the Mortgagee’s Cyber Incident response, including whether law enforcement has been notified.

**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 (PRA) 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; 2502-0328; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0524; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0600; 2502-0610; and 2502-0611. In accordance with the PRA, 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.

Signature

Julia R. Gordon
Assistant Secretary for Housing -
FHA Commissioner
