



ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

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

Temporary, Partial Waiver of 24 CFR § 206.113 Mortgage Insurance Premiums, Late Charge and Interest

Pursuant to § 7(q) of the Department of Housing and Urban Development Act (codified at 42 U.S.C. § 3535(q)), and the waiver authority contained in 24 CFR § 5.110, I hereby partially waive the requirements of 24 CFR § 206.113, as provided in more detail below. This partial waiver is limited to § 206.113 Late Charge and Interest, under *Mortgage Insurance Premiums* under Subpart B – *Eligibility; Endorsement* of 24 CFR Part 206 Home Equity Conversion Mortgage Insurance. This partial waiver of required late charges and interest for past due mortgage insurance premiums is being issued for FHA-approved mortgagees accepting transfer of those Home Equity Conversion Mortgages (RMF HECMs) for which Reverse Mortgage Funding LLC (RMF) failed to timely pay mortgage insurance premiums (MIP) due in December 2022 to the Federal Housing Administration (FHA), resulting in the accrual of late charges and interest pursuant to 24 CFR 206.113 (RMF HECMs). On November 30, 2022, RMF filed for Chapter 11 bankruptcy and did not provide for timely payment of their December 2022 MIP obligation.

As the HECM industry is relatively small, the bankruptcy of RMF resulted in significant impacts throughout the industry. FHA understands that FHA-approved mortgagees accepting transfer of the RMF HECMs (RMF Transferees) do or did not have sufficient time for due diligence of the portfolio and negotiation prior to transfer and that transfers of the RMF HECMs are being accelerated due to the exigencies of the bankruptcy, as well as to ensure that borrowers receive timely disbursements and that RMF HECMs continue to be serviced in compliance with FHA requirements. Supporting such transfers is justified out of concern for borrowers and because the potential for improper servicing of the RMF HECMs could increase risks to FHA's Mutual Mortgage Insurance Fund (MMIF). Therefore, FHA will waive the requirement for RMF Transferees to pay December 2022 late charges and interest for late payment of MIP in December for RMF HECMs.

1. This partial waiver of 24 CFR 206.113 applies only to the December 2022 late charges and interest owed for the RMF HECMs.
2. The partial waiver only applies to RMF Transferees.
3. The partial waiver does not apply to RMF.

In support of the partial waiver, I make the following Findings and Determinations:

FINDINGS

1. Imposing FHA's requirement in 24 CFR 206.113 that a mortgagee must remit late charges and interest when MIP is paid late could delay transfer of the RMF HECMs and could also delay payment of claims associated with the RMF HECMs.

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2. This partial waiver does not modify the RMF Transferees' future obligation to remit late charges and interest accruing as a result of untimely payment of any MIP due in 2023 and beyond.

DETERMINATIONS

1. This partial waiver is required to support the continued operation of the HECM program and to protect the MMIF.
2. The granting of this partial waiver is consistent with FHA's fiduciary duty to the MMIF and statutory obligations for the HECM program under Section 255 of the National Housing Act (12 USC 1715z-20).
3. All other requirements and guidance in 24 CFR Part 206 remain unchanged.
4. Pursuant to the authority contained in 24 CFR § 5.110, the above findings constitute good cause for granting this partial waiver of 24 CFR § 206.113.
5. This partial waiver does not violate any statutory requirements.

Issued January 10, 2023
Washington, DC

Julia Gordon Digitally signed by Julia Gordon
Date: 2023.01.09 18:07:18
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Julia R. Gordon,
Assistant Secretary for Housing –
FHA Commissioner