

Temporary, Partial Waiver of 24 CFR §206.55(d)(1) Deferral of Due and Payable Status for Eligible Non-Borrowing Spouses, Additional Requirements for Deferral Period

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 § 206.55, as provided in more detail below. This partial waiver is limited to § 206.55(d)(1). This partial waiver waives the requirement that an Eligible Non-Borrowing Spouse must, within 90 days from the death of the last surviving borrower, establish legal ownership or other ongoing legal right to remain for life in the property securing the HECM. This partial waiver is being issued due to public health concerns around the spread of Coronavirus Disease 2019 (COVID-19), the declaration of a National Emergency and the resulting closures of courthouses and government offices necessary to meet the requirement of 24 CFR § 206.55(d)(1).

1. The partial waiver does not apply to any provisions of 24 CFR § 206.55 other than 24 CFR § 206.55(d)(1).
2. The partial waiver is limited to a 12-month period from the date of issuance.

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

FINDINGS

1. HUD's current requirement for FHA-insured HECMs that an Eligible Non-Borrowing Spouse must, within 90 days from the death of the last surviving borrower, establish legal ownership or other ongoing legal right to remain for life in the property securing the HECM is not practical given the public health recommendations being disseminated by local, state, and federal government agencies to limit contact between individuals to contain the spread of COVID-19..
2. HUD recognizes that with the closing or limited operations of government offices and businesses, it may be difficult for an Eligible Non-Borrowing Spouse to obtain the necessary documents establishing legal ownership or legal right to remain in the property securing a HECM.
3. A partial waiver is necessary to allow Eligible Non-Borrowing Spouses to enter into a deferral period and avoid foreclosure when an Eligible Non-Borrowing Spouse is unable to meet this requirement due to the COVID-19 Emergency.
4. Without the partial waiver, otherwise eligible Non-Borrowing Spouses may be foreclosed upon due to circumstances beyond their control due to the COVID-19 Emergency.

DETERMINATIONS

1. To assist in ensuring that no Eligible Non-Borrowing Spouse is foreclosed upon unnecessarily, a partial waiver of the requirement that an Eligible Non-Borrowing Spouse must establish legal ownership or other ongoing legal right to remain for life in the property securing the HECM within 90 days from the death of the last surviving HECM borrower must be granted.

2. The granting of the partial waiver is consistent with the Department's objectives to promote homeownership and avoid foreclosure.
3. The granting of the partial waiver will reduce potential increased risk to the Mutual Mortgage Insurance Fund.
4. All other requirements and guidance concerning FHA servicing requirements in 24 CFR 206 remain in effect.
5. Pursuant to the authority contained in 24 CFR §5.110, the above findings constitute good cause for the granting the partial waiver of 24 CFR §206.55(d)(1).
6. The partial waiver does not violate any statutory requirements.
7. This partial waiver shall be in effect for 12 months from the date below.

Issued October 1, 2020
Washington, DC

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Date: 2020.09.30 17:05:41 -04'00'

Dana T. Wade
Assistant Secretary for Housing
-Federal Housing Commissioner