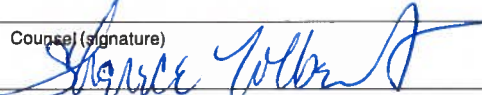


Request for Waiver of Housing Directive

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0029
(Expires 04/30/2020)

1. Field Office National Servicing Center	2. Program and DAS (e.g., multifamily development) Office of Single Family Asset Management, Office of Single Family Housing
3. Waiver Requested by (person, entity, HUD employee) Matt Martin, Director, National Servicing Center	
4. Waiver Item (directive number, date, page, paragraph, etc.) Handbook 4000.1 III.A.1.k.ii.F. Relief Sought Waiver of the requirement under III.A.1.k. Mortgage Insurance Premium Cancellation and Termination, ii. Standard, F. Artificial Principal Payment Reduction stating: "A Borrower with an outstanding Partial Claim/second Mortgage is not eligible to cancel their MIP even if all other above requirements have been satisfied."	
5. Did a check of SharePoint indicate Prior Approval of a factually similar waiver? <input type="checkbox"/> Yes (skip No. 6) <input checked="" type="checkbox"/> No (go to No. 6)	If previously approved, give Counsel's name and date of approval.
6. Counsel Determination. The Waiver Proposal does not conflict <input checked="" type="checkbox"/> conflicts <input type="checkbox"/> with statutory or regulatory provisions (cite rule or provision)	

Counsel (signature) 	Date 12/16/19
--	------------------

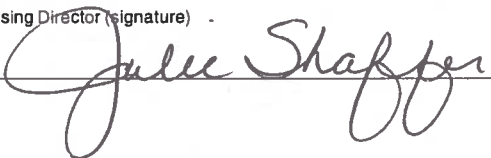
7. Employee Justification (attach additional pages if necessary)

HUD provides specific instructions to Mortgagees regarding the servicing of FHA-insured loans. These include servicing instructions for current loans as well as loss mitigation and loan modification options that help eligible borrowers avoid foreclosure. HUD periodically updates and refines FHA's servicing policies – in response to continued review and analysis and to continually improve the effectiveness and efficiency of FHA policies and processes, while ensuring the stability of the MMIF.

The latest update to the FHA Single Family Handbook 4000.1, published on 10/24/2019, included this new language to update requirements for MIP cancellation for borrowers with an outstanding Partial Claim or second mortgage, stating: "A Borrower with an outstanding Partial Claim/second Mortgage is not eligible to cancel their MIP even if all other above requirements have been satisfied." However, the language in the Handbook update and the effective date for this requirement have caused confusion for industry around both FHA's intention and implementation requirements.

As a result, we propose waiving this requirement, while new language is drafted to clarify FHA's requirements – to meet our intended outcome while providing clarity to servicers. The revised language will be published in the next update to Handbook 4000.1.

Field Office Concurrence

Name Julie Shaffer	Title Acting ADAS, Single Family Housing	Date
8. <input checked="" type="checkbox"/> Granted <input type="checkbox"/> Not Granted	Housing Director (signature) 	Date 12/16/19
Comments		

Public reporting burden for this collection of information is estimated to average xx minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Distribution: (includes waivers granted and denied)
Original to Field Office;
One copy to each of the following: Director, Organizational Policy, Planning and Analysis Division, Room 9116, HUD Headquarters, HRO
Assistant General Counsel, Multifamily Mortgage Division, HUD Headquarters, Room 9230, CAHAA
Office of the Deputy Assistant Secretary for Single Family Housing, Room 9282, HUD Headquarters, HU
Office of the Deputy Assistant Secretary for Multifamily Housing, Room 6106, HUD Headquarters, HT

And one copy to either of the following: