



OFFICE OF PUBLIC AND INDIAN HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

Date: April 11, 2023

Dear Lender Letter 2023 – 01

To: All Tribes
All Tribally Designated Housing Entities
All Section 184 Approved Lenders and Servicers
All Section 184A Approved Lenders and Servicers

Subject Extension for COVID-19 Forbearance

Purpose The purpose of this Dear Lender Letter (DLL) is to establish a final date for requesting COVID-19 Forbearance and a final date for when the COVID-19 Forbearance must terminate

Effective Date The policies in this DLL are 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 Office of Loan Guarantee at Section184Comments@hud.gov. HUD will consider the feedback in determining the need for future updates.

Affected Programs This guidance applies to the Section 184 and Section 184A programs. This DLL amends the COVID-19 Forbearance section of DLL 2022-01.

Background The Office of Loan Guarantee (OLG) is extending the deadline for requesting COVID-19 Forbearance through May 31, 2023.

On January 19, 2022, OLG published DLL 2022-01 titled “COVID-19 Recovery Loss Mitigation Options.” DLL 2022-01 was further amended by DLL 2022-03, published on March 10, 2023. Under DLL 2022-01, OLG consolidated all COVID-19 loss mitigation options available to Section 184 and Section 184A Borrowers, which were issued in various DLLs, into a single DLL.

As the National Emergency ended on April 10, 2023, OLG has determined that a short period beyond the expiration of the COVID-19 Presidentially Declared National Emergency would be beneficial to both Section 184 and Section 184A Borrowers and Lenders and Servicers. This extension is intended to provide affected Borrowers ample time to request a COVID-19 Forbearance and for Lenders and Servicers to offer and process these requests. OLG is extending the period until May 31, 2023 to align COVID-19 Forbearance with the monthly billing cycle.

Summary of Changes

This DLL amends the COVID-19 Forbearance section of DLL 2022-01 and establishes a final date for Borrowers to request a COVID-19 Forbearance and a final date for when the COVID-19 Forbearance must terminate.

COVID-19 Forbearance

A COVID-19 Forbearance allows Borrowers to pause or reduce Loan payments for a period of time. The Borrower is still responsible for any arrearages that occur during the forbearance period. A COVID-19 Forbearance is initiated at the Borrower’s request and is available to any Borrower that experiences an adverse impact on their ability to make on-time Loan payments due to the COVID-19 pandemic, regardless of default status.

The term of the initial and any additional COVID-19 Forbearance period may be shortened at the Borrower’s request.

The Lender must waive all late charges, fees, and penalties, if any, as long as the Borrower is on a COVID-19 Forbearance Plan.

No COVID-19 Forbearance period may extend beyond November 30, 2023.

COVID-19 Forbearance Period, Based on Date of Initial COVID-19 Forbearance

Initial Forbearance Date	Initial Forbearance Period	Additional Forbearance Period	Forbearance Extensions	Maximum Forbearance Period
March 1, 2020 – June 30, 2020	Up to 6 months	Up to 6 months	Up to 6 months (in 3-month increments)	Up to 18 months
July 1, 2020 – Sept. 30, 2020	Up to 6 months	Up to 6 months	Up to 3 months	Up to 15 months
Oct. 1, 2020 – June 30, 2021	Up to 6 months	Up to 6 months	0	Up to 12 months

July 1, 2021 – Sept. 30, 2021	Up to 6 months	Up to 6 months	0	Up to 12 months
October 1, 2021 – May 31, 2023	Up to 6 months	Up to 6 months (if the initial forbearance will be exhausted or expires on or before May 31, 2023)	0	Up to 12 months (Not to exceed November 30, 2023)

(1) Initial COVID-19 forbearance requested on or before June 30, 2020

The initial COVID-19 forbearance period may be up to six months. If needed, an additional COVID-19 forbearance period of up to six months may be requested by the Borrower and must be approved by the Lender. After 12 months of COVID-19 forbearance, if needed, the Borrower may request, and the Lender must approve, up to two additional three-month COVID-19 forbearance extension periods. Each three-month extension must be requested individually. Neither of the two additional three-month extension periods may extend beyond December 31, 2021. The maximum COVID-19 forbearance period for these Borrowers is 18 months.

(2) Initial COVID-19 forbearance requested between July 1, 2020, and September 30, 2020

The initial COVID-19 forbearance period may be up to six months. If needed, an additional COVID-19 forbearance period of up to six months may be requested by the Borrower and must be approved by the Lender. After 12 months of COVID-19 forbearance, if needed, the Borrower may request, and the Lender must approve, one additional three-month COVID-19 forbearance extension period. The additional three-month extension period must not extend beyond December 31, 2021. The maximum COVID-19 forbearance period for these Borrowers is 15 months.

(3) Initial COVID-19 forbearance requested between October 1, 2020, and June 30, 2021

The initial COVID-19 forbearance period may be up to six months. If needed, an additional COVID-19 forbearance period of up to six months may be requested by the Borrower and must be approved by the Lender. The COVID-19 forbearance must not extend beyond June 30, 2022. The

maximum COVID-19 Forbearance period for these Borrowers is 12 months.

(4) Initial COVID-19 Forbearance Requested between July 1, 2021, and September 30, 2021

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Lender. This COVID-19 Forbearance period must not extend beyond September 30, 2022. The maximum COVID-19 Forbearance period for these Borrowers is 12 months.

(5) Initial COVID-19 Forbearance Requested between October 1, 2021 and May 31, 2023

The initial COVID-19 Forbearance period may be up to six months. If needed, an additional COVID-19 Forbearance period of up to six months may be requested by the Borrower and must be approved by the Lender if:

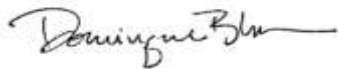
- the Borrower has utilized a full six months of initial COVID-19 Forbearance; and
- the initial COVID-19 Forbearance will expire on or before May 31, 2023

The maximum COVID-19 Forbearance period for these Borrowers is 12 months. This COVID-19 Forbearance period must not extend beyond November 30, 2023.

Questions

Any questions regarding this DLL may be directed to Krisa.M.Johnson@hud.gov

Signature



Dominique Blom
General Deputy Assistant Secretary
for Public and Indian Housing