



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

OFFICE OF PUBLIC AND INDIAN HOUSING

Date: August 31, 2023

Dear Lender Letter 2023-09

To: All Section 184 Approved Lenders and Servicers
All Section 184A Approved Lenders and Servicers
All Tribes
All Tribally Designated Housing Entities
Department of Hawaiian Home Lands

Subject Technical correction to Dear Lender Letter 2023-04

Purpose The purpose of this Dear Lender Letter (DLL) is to issue a technical correction to DLL 2023-04 titled “Expansion of COVID-19 Loss Mitigation Options” issued on May 12, 2023.

Effective Date This DLL is 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 technical correction applies to the Loan Guarantees for Native Hawaiian Housing (Section 184A) program.

Background

On May 12, 2023, HUD issued Dear Lender Letter 2023-04 titled “Expansion of COVID-19 Loss Mitigation Options” (DLL 2023-04). DLL 2023-04 was issued in support of the goal of achieving broad economic recovery following the COVID-19 National Emergency and expanded COVID-19 loss mitigation options to address the impacts many Americans are experiencing in recovering financially from the long-lasting effects of the pandemic.

DLL 2023-04 restated the COVID-19 Loss Mitigation Options established in Dear Lender Letter 2022-01 (amended), with new provisions and changes.

Technical Correction

While this DLL issues a technical correction to DLL 2023-04, this DLL emphasizes **there are no substantive changes to DLL 2023-04. All loss mitigation options, as explained in DLL 2023-04, continue to remain in effect through the period prescribed under the “Effective Date” of DLL 2023-04.**

On page 3 of DLL 2023-04, “Loss Mitigation Options” section, under paragraph heading “Section 184A Program”, HUD erroneously left out referencing the COVID-19 Recovery Loss Mitigation Advance (COVID-19 Recovery LMA) when discussing the Section 184A program.

This erroneous omission does not alter the guidance found on page 11 of DLL 2023-04, “COVID-19 Recovery Loss Mitigation Advance” section, which made the COVID-19 Recovery LMA available to Section 184A borrowers. This section of the DLL expressly stated “[t]he COVID-19 Recovery LMA reinstates the Section 184 or Section 184A Loan through the use of a loss mitigation advance for Borrowers who are able to resume their monthly Loan payments.”

To align the “Loss Mitigation Options” section on page 3 with the “COVID-19 Recovery Loss Mitigation Advance” on page 11 of DLL 2023-04, this DLL is providing the technical correction below.

On page 3 of DLL 2023-04, “Loss Mitigation Options” section, under paragraph heading “Section 184A Program”, the sentence stating:

This loss mitigation option is replaced by the COVID-19 Native Advance Loan Modification and COVID-19 Native Recovery Loan Modification.

is replaced with:

This loss mitigation option is replaced by the COVID-19 Native Advance Loan Modification, COVID-19 Native Recovery Loan Modification, and the COVID-19 Recovery Loss Mitigation Advance.

Questions

Any questions regarding this DLL may be emailed to
Section184Comments@hud.gov.

Signature

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