

## Mortgagee Letter 2020-16 Attachment

### INDEMNIFICATION AGREEMENT

**FHA Case Number:** [XXX-XXXXXXXX]

**Indemnification Number:** [9XXXXXX]

**Indemnification Type:** Partial Indemnification for endorsement during COVID-19 Forbearance

The U.S. Department of Housing and Urban Development (HUD) and [Institution Name], FHA ID [5-Digit Institution ID], (Mortgagee) agree as follows:

1. Mortgagee agrees to indemnify HUD, as provided below, for losses which have been or may be incurred in the future by HUD, up to the limits set forth in this agreement, with respect to any FHA-insured mortgage identified above, if the borrower failed to make two or more payments when due under the terms of the insured mortgage at any point within two years from the mortgage's date of endorsement, and the borrower remains in default until the filing of a claim for mortgage insurance benefits. However, if the borrower enters into a forbearance agreement consistent with Section 4022 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequently brings the mortgage current pursuant to the terms of the insured mortgage or a permanent loss mitigation home retention option made available in accordance with FHA requirements through the date that is two years from the date of endorsement of the mortgage, the Mortgagee's obligation under this indemnification agreement shall terminate. Where a Mortgagee is obligated to indemnify HUD pursuant to this agreement and the mortgage is or has been refinanced one or more times into a non-credit qualifying FHA refinance mortgage, the Mortgagee shall remain obligated to indemnify HUD in accordance with the terms of this agreement for any losses up to the limit of this agreement that are incurred by HUD with respect to such refinanced mortgage.
2. Where Mortgagee is obligated to indemnify HUD in accordance with the terms of this agreement, Mortgagee shall deduct from its calculations of insurance benefits the amount provided for in this agreement before submitting any claim for insurance benefits. Notwithstanding any obligations to indemnify HUD in accordance with this Agreement, for any mortgages the Mortgagee continues to service, Mortgagee shall continue to observe HUD requirements for servicing and payment of mortgage insurance premiums with respect to such mortgages.
3. In the event that a mortgage insurance claim on any of the mortgages covered by this Indemnification Agreement is paid in the future to a holder other than Mortgagee and Mortgagee is liable for indemnification of HUD in accordance with this Agreement, Mortgagee shall indemnify HUD by paying HUD the Partial Indemnification amount, as defined below, plus interest, penalties, and administrative fees as may be permitted by law if Mortgagee does not pay HUD timely. The Partial Indemnification amount shall be equal to 20% of the initial loan amount.
4. Any breach of the terms and conditions of this Indemnification Agreement shall constitute independent grounds for imposition of administrative sanctions by the Mortgagee Review Board against Mortgagee pursuant to 24 CFR Part 25.

**Mortgagee Letter 2020-16 Attachment**

WHEREFORE, the parties hereto have duly executed this Indemnification Agreement, effective when signed and dated by the U.S. Department of Housing and Urban Development.

**MORTGAGEE**

**UNITED STATES, DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT**

BY:

BY:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_  
Authorized Representative

Printed Name: \_\_\_\_\_  
Federal Housing Administration

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_