



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

1 **Date:** XXXX, 2024

2 **Mortgagee Letter** 2024-XX

3 **To:** All FHA-Approved Mortgagees
4 All Direct Endorsement Underwriters
5 All Eligible Submission Sources for Condominium Project Approvals
6 All FHA Roster Appraisers
7 All FHA-Approved 203(k) Consultants
8 All FHA-Approved Title I Lenders
9 All HUD-Certified Housing Counselors
10 All HUD-Approved Nonprofit Organizations
11 All Governmental Entity Participants
12 All Real Estate Brokers
13 All Closing Agents

14 **Subject** Revised Cyber Incident Reporting Requirements

15 **Purpose** This Mortgagee Letter (ML) supersedes ML 2024-10 and provides updated
16 requirements for FHA-approved Mortgagees to notify HUD when a
17 Reportable Cyber Incident occurs.

18 **Effective Date** The provisions of this ML are effective immediately.

19 All updates will be incorporated into a forthcoming update of the HUD
20 Handbook 4000.1, *FHA Single Family Housing Policy Handbook*
21 (Handbook 4000.1).

22 **Affected** The provisions of this ML apply to all FHA insurance programs.
23 **Programs**

24 **Background** FHA is revising its Cyber Incident reporting requirements to provide
25 additional clarity and to better align FHA reporting requirements with
26 computer-security incident notification standards established by the Federal
27 banking agencies.¹ These revised requirements follow an unprecedented

¹ See Computer-Security Incident Notification Requirements for Banking Organizations and Their Bank Service Providers, 86 Fed. Reg. 66424 (Apr. 1, 2022) (codified at 12 C.F.R. pts 53, 225, and 304).

1 influx of Cyber Incidents impacting FHA Mortgagees, beginning in Fiscal
2 Year 2023.

3 HUD is an operational partner of its FHA Mortgagees and provides direct
4 access to HUD systems and applications through transparency and trust
5 relationships. It is vital that HUD receive early Cyber Incident notifications
6 to defend its systems, including sensitive information within, and to enable
7 swift and collaborative dialogue between HUD's Chief Information Security
8 Officer and the FHA Mortgagee's security operations official when a
9 Reportable Cyber Incident occurs.

10 Consistent with the Federal banking agencies, HUD encourages FHA
11 Mortgagees to continue the effective practice of providing same-day
12 notification to HUD when a Reportable Cyber Incident occurs.²

13 **Summary of** This ML requires FHA-Approved Mortgagees to notify HUD as soon as
14 **Changes** possible and no later than 36 hours after the Mortgagee has determined that
15 a Reportable Cyber Incident has occurred.

16 **FHA Single** The policy changes supersede ML 2024-10 and will be incorporated into
17 **Family Housing** Handbook 4000.1 as follows:
18 **Policy**

19 **Handbook** **Operational Compliance (V.A.2.b)**
20 **4000.1**

21 **viii. Reportable Cyber Incident**

22 **Quality Control,** **(A) Definition**
23 **Oversight, and**
24 **Compliance**

25 A Cyber Incident is an occurrence that results in actual harm to the
26 confidentiality, integrity, or availability of an information system or the
27 information that the system processes, stores, or transmits.

28 A Reportable Cyber Incident is a Cyber Incident that has materially
29 disrupted or degraded, or is reasonably likely to materially disrupt or
30 degrade, the FHA-approved Mortgagee's ability to meet its operational
31 obligations for originating or servicing FHA-insured Mortgages.

32 **(B) Standard**

33 An FHA-approved Mortgagee that has experienced a Reportable Cyber
34 Incident must report the Cyber Incident to HUD's FHA Resource Center at
35 answers@hud.gov and HUD's Security Operations Center at cirt@hud.gov

² See *Id.* at 66432.

1 as soon as possible and no later than 36 hours after the Mortgagee has
2 determined that a Reportable Cyber Incident has occurred.

3 **(C) Required Documentation**

4 Cyber Incidents reported to HUD’s FHA Resource center at
5 answers@hud.gov and HUD’s Security Operations Center at cirt@hud.gov
6 must include the following information:

- 7 (1) Mortgagee Name
8 (2) Mortgagee ID
9 (3) name, email address, and phone number of the Mortgagee’s point of
10 contact for coordinating follow-up activities
11 (4) description of the Cyber Incident, including the following, if known:
12 • date of Cyber Incident
13 • cause of Cyber Incident
14 • impact to Personally Identifiable Information
15 • impact to login credentials
16 • impact to Information Technology (IT) system architecture
17 • list of any impacted subsidiary or parent companies
18 (5) description of the current status of the Mortgagee’s Cyber Incident
19 response, including whether law enforcement has been notified.
20

21 **Paperwork**
22 **Reduction Act**

23 The information collection requirements contained in this document have
24 been approved by the Office of Management and Budget (OMB) under the
25 Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and
26 assigned OMB control numbers 2502-0005; 2502-0059; 2502-0117; 2502-
27 0189; 2502-0302; 2502-0306; 2502-0322; 2502-0328; 2502-0358; 2502-
28 0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0524; 2502-
29 0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-
30 0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0600; 2502-
31 0610; and 2502-0611. In accordance with the PRA, HUD may not conduct
32 or sponsor, and a person is not required to respond to, a collection of
information unless the collection displays a currently valid OMB control
number.

33 **Signature**

34 Julia R. Gordon
35 Assistant Secretary for Housing -
36 FHA Commissioner
