

**FHA INFO #18-08**  
**February 22, 2018**



**TO: All FHA-Approved Mortgagees and Servicers;  
All Other Interested Stakeholders in FHA Transactions**

## NEWS AND UPDATES

### **Revised Loss Mitigation Policies for Affected Borrowers in Certain Presidentially-Declared Major Disaster Areas // Industry Briefing Call on March 1, 2018**

Today, the Federal Housing Administration (FHA) published Mortgagee Letter (ML) [2018-01](#) entitled, "*Loss Mitigation Policy Changes for Hurricanes Harvey, Irma, and Maria and certain California Wildfires that occurred in October 2017 (FEMA-DR-4344), or certain California Wildfires, Flooding, Mudflows, and Debris Flows that occurred in December 2017 (FEMA-DR-4353).*"

This ML, which is designed to provide immediate loss mitigation and other relief options to FHA borrowers in certain designated Presidentially-Declared Major Disaster Areas (PDMDAs) allows for the use of streamlined income documentation and other requirements to expedite loss mitigation relief for affected borrowers. It also introduces a new "Disaster Standalone Partial Claim" option to help eligible borrowers on forbearance plans to resume their pre-disaster mortgage payments — helping to avoid payment shock — as well as keeping their interest rate and payment terms the same.

This new and revised guidance applies to all FHA Title II forward mortgages for those disaster-affected borrowers whose property or employment is in the following PDMDAs:

- Louisiana – Hurricane Harvey (DR-4345);
- Texas – Hurricane Harvey (DR-4332);
- Florida – Hurricane Irma (DR-4337);
- Georgia – Hurricane Irma (DR-4338);
- Puerto Rico – Hurricane Irma (DR-4336) and Hurricane Maria (DR-4339);
- South Carolina – Hurricane Irma (DR-4346);
- U.S. Virgin Islands – Hurricane Irma (DR-4335) and Hurricane Maria (DR-4340); and the
- California Wildfires (DR-4344) or California Wildfires, Flooding, Mudflows, and Debris Flows (FEMA-DR-4353).

To facilitate the implementation of the Disaster Standalone Partial Claim option, changes will be necessary to certain FHA systems and claims processing procedures. These changes will be communicated in the coming weeks.

FHA-approved mortgagees must begin implementing these policies no later than May 1, 2018; however, they can begin using them immediately. These amended policies will expire on May 1, 2019.

Mortgagees are strongly encouraged to read ML 2018-01 in its entirety to ensure they understand — and are ready to implement — the revised policies and new loss mitigation option no later than May 1, 2018.

### **Industry Briefing Conference Call on March 1, 2018**

An industry briefing call will be conducted on Thursday, March 1, 2018. Because of the technical nature of the information being disseminated, the call is geared toward FHA-approved servicers, although other stakeholders can dial-in if they so choose. During this call, FHA subject matter experts will provide a detailed overview of the provisions contained in the Mortgagee Letter.

- **Title:** Revised Loss Mitigation Policies for Impacted Borrowers in Certain Presidentially-Declared Major Disaster Areas
- **Date:** Thursday, March 1, 2018
- **Time:** 11:30 AM – 12:30 PM (Eastern)
- **Dial-in:** 800-260-0712
- **Access Code:** 445331

### **Quick Links**

- View Mortgagee Letter 2018-01 and other Mortgagee Letters at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/letters/mortgagee](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee)
- View the status of Incident Periods on the FEMA Disasters web page at: <https://www.fema.gov/disasters>

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### **Resources**

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at: <https://www.hud.gov/answers>
- E-mail the FHA Resource Center at: [answers@hud.gov](mailto:answers@hud.gov). Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALL-FHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

### **RESOURCE INFORMATION**

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