



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

NEWS AND UPDATES

Reminder — Guidance for FHA-Approved Mortgagees and Servicers Regarding Presidentially-Declared Major Disaster Areas

Today, the Federal Housing Administration (FHA) is issuing this reminder to mortgagees about its guidance for originating and/or servicing FHA-insured forward mortgages in locations in the U.S. and its territories when the President declares it a major disaster area. This declaration is made when natural disasters or other events are of such severity that it is beyond the combined capabilities of state and local governments to respond. The following guidance applies to all areas covered by a Presidentially-Declared Major Disaster Area (PDMDA), including those areas covered under the PDMDA declared on January 16, 2020 for [Puerto Rico Earthquakes \(DR-4473\)](#):

- FHA-insured forward mortgages secured by properties in a PDMDA are subject to a 90-day foreclosure moratorium following the disaster.
- FHA-insured reverse mortgages (HECMs) that become due and payable for reasons other than the death of the last surviving borrower and eligible non-borrowing spouse are subject to a 90-day extension of HECM foreclosure timelines.
- In PDMDAs only, FHA provides mortgagees an automatic 90-day extension from the date of the foreclosure moratorium expiration date to commence or recommence foreclosure action or evaluate the borrower under HUD's loss mitigation program.

As a reminder, FHA's Disaster loss mitigation program includes:

- The Disaster Standalone Partial Claim option to help eligible borrowers on a forbearance plan resume their pre-disaster mortgage payments and avoid payment shock;
- Streamlined income documentation and revised loss mitigation procedures for a Disaster Loan Modification option and Disaster Standalone Partial Claim option; and
- A Trial Payment Plan as an alternative to providing income documentation for these disaster loss mitigation options.

Mortgagees should review complete servicing guidance in the *Single Family Housing Policy Handbook* 4000.1 (SF Handbook), Sections III.A.2 and III.A.3.c, relating to the servicing of mortgages in PDMDAs.

Mortgagees are reminded that they should begin reaching out to affected borrowers who may require loss mitigation assistance as soon as possible post-disaster. In preparation for assisting homeowners with longer-term recovery efforts, mortgagees should also review:

- FHA's 203(h) Mortgage Insurance for Disaster Victims requirements in Section II.A.8.b of the SF Handbook. The 203(h) program allows FHA to insure mortgages for victims of a major disaster who have lost their homes and are in the process of rebuilding or buying another home.
- FHA's 203(k) Rehabilitation Mortgage Insurance Program requirements in Section II.A.8.a of the SF Handbook. The 203(k) program provides mortgage financing or refinancing which includes the cost of home repairs – both structural and non-structural – into the loan amount.

Mortgagees can find more information about the policies referenced above and other FHA PDMDA policies on the FHA Resource Center's [Online Knowledge Base](#).

Quick Links

- Access the SF Handbook in online or portable document format from HUD's Client Information Policy Systems Housing Handbooks web page at:
https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsggh
- View the status of Incident Periods on the FEMA Disasters web page at:
<https://www.fema.gov/disaster/4473>

Resources

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at:
www.hud.gov/answers.
- E-mail the FHA Resource Center at: 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-CALLFHA (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.

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