

FHA INFO #20-36

June 4, 2020



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

NEWS AND UPDATES

FHA Issues New Temporary Guidance on Mortgage Endorsements for Mortgages in Forbearance

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2020-16](#), *Endorsement of Mortgages under Forbearance for Borrowers Affected by the Presidentially-Declared COVID-19 National Emergency consistent with the Coronavirus Aid, Relief, and Economic Security (CARES) Act*. Read today's [Press Release](#).

This ML informs mortgagees of temporary endorsement processes that will allow mortgages to be endorsed for insurance if the mortgages have closed in accordance with FHA requirements, but the borrower has requested or has been granted a forbearance post-closing due either directly or indirectly to the COVID-19 National Emergency.

As specified in ML 2020-16:

- These endorsements are conditioned upon the execution of a [two-year partial indemnification agreement](#) with FHA. The initial amount of partial indemnification is set at 20 percent of the original loan amount. The new temporary partial indemnification agreement and instructions for endorsing the loan and completing the agreement are posted on the [Single Family Mortgages Model Documents](#) page on hud.gov.
- Mortgagees may provide a modified certification statement on Form HUD 92900-A, *Addendum to the Uniform Residential Loan Application*, acknowledging they are aware of changes in the borrowers' employment status and their inability to make mortgage payments as a result of the COVID-19 National Emergency.
- HUD will continue to monitor the impacts to the market as well as implications to the Mutual Mortgage Insurance Fund (MMIF) and may adjust the level of partial indemnification for future indemnification contracts accordingly.

FHA Connection (FHAC) is being updated to allow mortgagees to identify endorsement of loans granted forbearance by the mortgagee after closing and then endorsed for FHA insurance consistent with ML 2020-16.

FHA-approved mortgagees should review ML 2020-16 in its entirety to ensure they fully understand the indemnification and insurance endorsement requirements for mortgages with borrowers negatively impacted by the COVID-19 National Emergency.

Quick Links

- View Mortgagee Letter 2020-16 and all other archived Mortgagee Letters at: https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee
- View today's and all other Press Releases at: www.hud.gov/press

- View the temporary Single Family Endorsement Partial Indemnification Agreement and corresponding instructions for completion on the Single Family Mortgages Model Documents page at: https://www.hud.gov/program_offices/housing/sfh/model_documents

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.

FHA INFO Archives:	Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.	
Subscribe/Unsubscribe Instructions:	To subscribe to the Single Family FHA INFO mailing list you can use this link: FHA INFO or send a request by email to: answers@hud.gov Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: answers@hud.gov aaa@xyz.com bbb@xyz.com ccc@xyz.com To Unsubscribe follow the unsubscribe instructions on that page.	
Resource Links:	FHA Archived Webinars Career Opportunities Contracting Opportunities Events & Training FHA Forms FHA Homeownership Centers FHA Mortgagee Letters	Foreclosure Assistance Grant Opportunities HUD Homes - Property Listings HUD.gov Making Home Affordable Presidentially-Declared Major Disaster Areas Visit our Single Family Home Page



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