

**FHA INFO #20-64**  
**September 2, 2020**



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

**NEWS AND UPDATES**

In this announcement:

- Guidance for FHA-Approved Mortgagees and Servicers Regarding Presidentially-Declared Major Disaster Areas during the COVID-19 Pandemic
- New and Updated FHA Catalyst Resources Available
- Job Opportunity Alert: Housing Program Policy Specialist, Washington, DC

See below for details.

**Guidance for FHA-Approved Mortgagees and Servicers Regarding Presidentially-Declared Major Disaster Areas during the COVID-19 Pandemic**

Today, the Federal Housing Administration (FHA) is issuing this clarification 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 a major disaster area during the COVID-19 pandemic. 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. FHA recognizes the difficulty facing many borrowers across the country in light of recent hurricanes, wildfires, and other extreme weather events in the midst of a pandemic. This guidance is intended to provide clarity to borrowers and industry partners.

To date, the President has declared a major disaster in every state and most territories in connection with COVID-19. The following guidance applies to all areas covered by an **additional** Presidentially-Declared Major Disaster Area (PDMDA) during the COVID-19 pandemic.

- This guidance does not pertain to the loss mitigation options for PDMDAs declared as a result of COVID-19 National Emergency, which are addressed in Mortgagee Letters [2020-06](#) and [2020-22](#).
- For FHA-insured forward mortgages secured by properties in a PDMDA:
  - FHA-insured forward mortgages secured by properties in a PDMDA are subject to a 90-day foreclosure moratorium following the disaster declaration.
  - In PDMDAs, FHA provides mortgagees an automatic 90-day extension from the date of the foreclosure moratorium expiration date to commence or recommence a foreclosure action or evaluate the borrower under HUD's Loss Mitigation Program.

- For borrowers who are already on a COVID-19 Loss Mitigation Option — including a forbearance — before the date of the PDMDA, mortgagees must continue to follow the loss mitigation guidance in [ML 2020-22: FHA's COVID-19 Loss Mitigation Options](#).
  - For all other borrowers, the mortgagee must evaluate the borrower for all loss mitigation options available to them, including any PDMDA or COVID-19 Loss Mitigation Options, as applicable, based on their reason for hardship.
- For any buildings in a PDMDA that are substantially damaged, mortgagees must follow the guidance in [Single Family Housing Policy Handbook 4000.1](#) (SF Handbook) Section III.A.3.c.iii, *Monitoring of Repairs to Substantially Damaged Homes*. This requirement applies to all properties covered by an **additional** non-COVID-19 Presidentially-Declared Major Disaster Area during the COVID-19 pandemic, including those already under a COVID-19 Loss Mitigation Option, such as forbearance.
- Mortgagees are reminded that they must report the appropriate default status codes associated with the actions taking place.
  - Default Status Code 34 must be reported when the property is in a PDMDA and/or if the borrower has been impacted until another code applies, such as loss mitigation, or until it is determined that the borrower and/or property was not impacted by the disaster. Default Reason Code 019 must be reported to indicate that the borrower's ability to make on time mortgage payments has been impacted by property damage.
  - Default Reason Code 055 must be reported for COVID-19 Loss Mitigation. If the property is also located in a PDMDA, the PDMDA must be noted in the Servicing File.
- FHA-insured Home Equity Conversion Mortgages (HECM) 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, as most recently provided for in [FHA INFO 18-40](#).
- In addition to the provisions found in FHA INFO 18-40, FHA is providing HECM mortgagees an automatic 90-day extension from the date of the PDMDA foreclosure expiration date to commence or recommence a foreclosure action.

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 and FHA COVID-19 policies on the FHA Resource Center's [Online Knowledge Base](#).

### **Quick Links:**

- View Mortgagee Letters 2020-06, 2020-22 and all other archived Mortgagee Letters at: [https://www.hud.gov/program\\_offices/administration/hudclips/letters/mortgagee](https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee)
- 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/hsg](https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg)
- View the status of Incident Periods on the FEMA Disasters web page at: <https://www.fema.gov/disasters>

## New and Updated FHA Catalyst Resources Available

Today, the Federal Housing Administration (FHA) is announcing additional user and training resources for the *FHA Catalyst* platform. The materials are designed to support users of the *FHA Catalyst* modules below.

### **FHA Catalyst: Case Binder Module**

Introduced in [Mortgagee Letter \(ML\) 2020-07](#), this module enables lenders to electronically submit case binder documents as an alternative to mailing paper binders. Additional functionality and updated requirements for the electronic submission of case binders selected for post-endorsement reviews using the module was announced in [ML 2020-29](#). Mortgagees are encouraged to view the updated [FHA Catalyst: Case Binder Module User Guide](#), [pre-recorded webinar](#), and [module information](#).

### **FHA Catalyst: Claims Module**

The module allows for digital submissions of loss mitigation home retention claims and supplemental claims for single family forward mortgages and was announced in [ML 2020-18](#). Servicers may view the updated [FHA Catalyst: Claims Module Single Family Forward Claims User Guide](#) and [module information](#).

### **FHA Catalyst: Property Valuation Module**

*FHA Catalyst*: Property Valuation Module User Guides provide detailed instructions for navigating the new [Property Valuation Module](#), including log in support and step-by-step instructions for submitting appraisals. For more information, mortgagees should access the [Lender User Guide](#) and the [Lender Administrator User Guide](#).

### **FHA Catalyst: Electronic Appraisal Delivery Module**

Mortgagees may submit appraisals for single family forward mortgage insurance endorsements through this module beginning September 1, 2020, as announced in [ML 2020-26](#). Mortgagees are encouraged to access the [FHA Appraisal Report and Data Delivery Guide](#).

### **Support for FHA Catalyst Users**

To access these modules within the *FHA Catalyst* platform, interested parties should contact the FHA Resource Center via email at: [answers@hud.gov](mailto:answers@hud.gov) or by phone at: 1-800-CALL-FHA (1-800-225-5342).

### **Quick Links:**

- View Mortgagee Letters 2020-07, 2020-18, 2020-26, and 2020-29 and all other archived Mortgagee Letters at: [https://www.hud.gov/program\\_offices/administration/hudclips/letters/mortgagee](https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee)
- View FHA Catalyst information at: <https://fha.gov/fha-catalyst.html>
- View the FHA Catalyst: Case Binder Delivery Module information at: [https://www.hud.gov/program\\_offices/housing/FHACatalyst/casebinder](https://www.hud.gov/program_offices/housing/FHACatalyst/casebinder)
- View the FHA Catalyst: Claims Module information at: [https://www.hud.gov/program\\_offices/housing/FHACatalyst/claimsmodule](https://www.hud.gov/program_offices/housing/FHACatalyst/claimsmodule)
- View the FHA Catalyst: Electronic Appraisal Delivery Module information on the FHA Catalyst: Property Valuation Module page at: [https://www.hud.gov/program\\_offices/housing/fha\\_catalyst\\_property\\_valuation\\_module](https://www.hud.gov/program_offices/housing/fha_catalyst_property_valuation_module)

## Job Opportunity Alert: Housing Program Policy Specialist, Washington, DC

If you are interested in becoming an integral part of dynamic teams that help make affordable and sustainable housing solutions available to millions of low- to moderate-income individuals and families each year, then you might be a perfect candidate to fill the following vacancy within the Federal Housing Administration's (FHA) Office of Single Family Housing:

<b>Job Title:</b>	<b>Housing Program Policy Specialist</b>
<b>Job Announcement Number:</b>	<ul style="list-style-type: none"><li>• <a href="#">20-HUD-2012-P</a> – Open to the Public</li><li>• <a href="#">20-HUD-2011</a> – Open to Current Federal employees and Other Specific Groups Listed in the Job Announcement</li></ul>
<b>Date Range to Apply for the Position:</b>	Opens 9/1/2020; closes 9/16/2020 at 11:59 PM (Eastern)
<b>Pay Scale-Series–Grade:</b>	GS-1101/13
<b>Location:</b>	Washington, DC

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If you or someone you know is interested in applying for this position, click on the appropriate link (above), which will take you to the vacancy announcement on [USAJobs.gov](#).

### Quick Links:

- View all available federal job postings at: [USAJobs.gov](#)

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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: [www.hud.gov/answers](http://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.

<b>FHA INFO Archives:</b>	Visit the <a href="#">FHA INFO Archives</a> to access FHA INFO messages issued from 2012 to the present.
<b>Subscribe/Unsubscribe Instructions:</b>	To subscribe to the Single Family FHA INFO mailing list you can use this link: <a href="#">FHA INFO</a> or send a request by email to: <a href="mailto:answers@hud.gov">answers@hud.gov</a> Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: <a href="mailto:answers@hud.gov">answers@hud.gov</a> <a href="mailto:aaa@xyz.com">aaa@xyz.com</a> <a href="mailto:bbb@xyz.com">bbb@xyz.com</a> <a href="mailto:ccc@xyz.com">ccc@xyz.com</a> <a href="#">To Unsubscribe</a> follow the unsubscribe instructions on that page.
<b>Resource Links:</b>	<a href="#">FHA Archived Webinars</a> <a href="#">Foreclosure Assistance</a> <a href="#">Career Opportunities</a> <a href="#">Grant Opportunities</a>

[Contracting Opportunities](#)

[Events & Training](#)

[FHA Forms](#)

[FHA Homeownership Centers](#)

[FHA Mortgagee Letters](#)

[HUD Homes - Property Listings](#)

[HUD.gov](#)

[Making Home Affordable](#)

[Presidentially-Declared Major Disaster Areas](#)

[Visit our Single Family Home Page](#)



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[HUD COVID-19 Resources and Fact Sheets](#)