

FHA INFO #20-66

September 10, 2020



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

NEWS AND UPDATES

In this announcement:

- FHA Underwriting Guidelines for Borrowers with Previous Mortgage Payment Forbearance
- Home Equity Reverse Mortgage Information Technology (HERMIT) System Submissions for COVID-19 Related Extensions

See below for details.

FHA Underwriting Guidelines for Borrowers with Previous Mortgage Payment Forbearance

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2020-30](#), *FHA Underwriting Guidelines for Borrowers with Previous Mortgage Payment Forbearance*. The ML informs mortgagees of underwriting guidelines for homeowners who were granted a mortgage forbearance due to the COVID-19 National Emergency. Additionally, this ML defines the requirements that borrowers must meet to request a new FHA-insured mortgage after successfully completing their mortgage payment forbearance period.

Borrowers granted mortgage payment forbearance may be eligible for a new FHA-insured mortgage provided they:

- continued to make regularly scheduled mortgage payments and the forbearance is terminated; or
- completed forbearance and made at least 12 consecutive monthly mortgage payments after forbearance or cash-out refinances; or
- completed forbearance and made at least three consecutive monthly mortgage payments after forbearance for purchase mortgages and no cash-out refinances; or
- completed forbearance and made less than three consecutive monthly mortgage payments after forbearance for credit qualifying streamline refinances.

Additionally, if a borrower entered into a modification agreement on an FHA mortgage, they must have made six payments under the modification to be eligible for a streamline refinance.

This guidance applies to single family forward mortgage programs only and updates requirements in the *Single Family Housing Policy Handbook* 4000.1 (SF Handbook) as indicated in the ML. These updates will be incorporated into the applicable sections of the SF Handbook in the coming months.

Quick Links:

- View Mortgagee Letter 2020-30 and all other archived Mortgagee Letters at:
https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee
- Access the online or PDF versions of the *Single Family Housing Policy Handbook* 4000.1 at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg

Home Equity Reverse Mortgage Information Technology (HERMIT) System Submissions for COVID-19 Related Extensions

Today, the Federal Housing Administration (FHA) announced software updates to the Home Equity Reverse Mortgage Information Technology (HERMIT) system, which allows servicers to submit extensions related to the Presidentially - Declared COVID-19 National Emergency for Home Equity Conversion Mortgages (HECM). The extension of the foreclosure and eviction moratorium were published in [Mortgagee Letter 2020-27](#).

Servicers are required to use the COVID-19 extensions for HECMs per the details in [HERMIT System Changes - Release 6.1](#) immediately. In addition, stakeholders should review the [HERMIT User Guide](#) and the [HERMIT System & Resources](#) for more information.

Quick Links:

- View Mortgagee Letter 2020-27 and all other archived Mortgagee Letters at:
https://www.hud.gov/program_offices/administration/hudclips/letters/mortgagee
- View the HERMIT System & Resources page at:
https://www.hud.gov/program_offices/housing/comp/hecm_hermit

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-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.

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 Foreclosure Assistance

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