



FHA INFO 2022-34 (Repost)

March 31, 2022

40-Year Loan Modification Proposed Rule will Publish in the Federal Register for Public Comment

On April 1, 2022, the Department of Housing and Urban Development (HUD) will publish a proposed rule in the *Federal Register*, Increased Forty-Year Term for Loan Modifications ([Docket No. FR-6263-P-01](#)) for public comment; however, it is available to preview today. The rule proposes to increase the maximum modification loan term limit from 360 to 480 months and expands FHA's current loan modification policy.

When finalized, FHA's proposal would allow mortgagees to provide a 40-year loan modification option to borrowers who may not otherwise qualify for payment reduction or other loss mitigation options. The proposal also offers an option to borrowers that are facing or experiencing a financial hardship, including those that were financially impacted by the COVID-19 pandemic. Extending the loan term limit to 480 months can help borrowers avoid foreclosure by spreading the outstanding mortgage balance over a longer period and making their monthly mortgage payments more affordable.

This change would also align FHA with modifications available to borrowers with mortgages backed by the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and the United States Department of Agriculture (USDA), which all currently provide a 40-year loan modification option to borrowers.

Interested stakeholders are encouraged to review and provide comments on the proposed rule using the methods outlined in the *Federal Register* no later than 60 days after the date of publication in the *Federal Register*.

Need Support? Contact the FHA Resource Center.

- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
- E-mail 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.

About FHA INFO

FHA INFO is a publication of the Federal Housing Administration's (FHA), Office of Single Family Housing, U.S. Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. We safeguard our lists and do not rent, sell, or permit the use of our lists by others, at any time, for any reason.

Visit the [FHA INFO Archives](#) to access FHA INFO messages. For additional information and resources, visit the FHA Single Family Housing main page on [HUD.gov](#)

Stay Connected with the Office of Housing and the Federal Housing Administration:



SUBSCRIBER SERVICES:
[Manage Subscriptions](#) | [Help](#)

This email was sent using GovDelivery Communications Cloud on behalf of the Office of Housing and the Federal Housing Administration, U.S. Department of Housing and Urban Development, 451 7th St. SW, Washington, DC 20410

