



FHA INFO 2023-19

March 24, 2023

Reminder Regarding Use of Homeowner Assistance Funds with FHA-insured Mortgages

The Federal Housing Administration (FHA) is reminding servicers about the use of the U.S. Department of the Treasury's Homeowner Assistance Fund (HAF) financial assistance to help borrowers, with FHA-insured single family forward mortgages and Home Equity Conversion Mortgages (HECM), struggling with their mortgage payments.

The American Rescue Plan Act of 2021 established HAF to provide financial assistance to eligible homeowners who have suffered financial hardships during the COVID-19 National Emergency. Through HAF, eligible homeowners can receive assistance to cover qualified expenses that may include housing-related costs.

Servicers of FHA-insured mortgages are required to inform distressed homeowners about funds available through their jurisdiction's HAF program. As allowable by the homeowner's HAF program, HAF may:

- be used to bring the homeowner's mortgage current;
- be used in combination with certain FHA loss mitigation options for single family forward mortgages;
- reduce the balance or pay off the homeowner's outstanding loss mitigation Partial Claim, even if their mortgage payments are now current;
- be used in combination with the COVID-19 HECM Property Charge Repayment Plan; and
- pay for delinquent property tax and homeowners insurance charges on defaulted HECMs, if permissible under their jurisdiction's HAF program guidelines.

FHA has also expanded the definition of imminent default to include homeowners who qualified for HAF. With this change, servicers will be able to offer additional loss mitigation options to borrowers who qualified for or used HAF funds and may no longer technically be delinquent but require further assistance to avoid redefault.

For additional guidance, servicers and other interested stakeholders should view the FHA FAQs webpage at www.hud.gov/answers and click on the Treasury Homeowner Assistance Fund (HAF) Program box under the Featured Content section. More information is also accessible on the [Treasury's Homeowner Assistance Fund web page](#) and the [National Council of State Housing Agencies website](#).

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 Administrations (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.

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