



FHA INFO 2023-40

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Update to Loss Mitigation Options for Non-Borrowers Who Acquired Title Through an Exempted Transfer

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2023-11](#), *Update to ML 2023-03, Regarding Loss Mitigation Options for Non-Borrowers Who Acquired Title through an Exempted Transfer*. The ML updates and clarifies loss mitigation options for non-borrowers who acquired title of a borrower's property through a transfer that exempts the borrower's mortgage from being called due and payable under the Garn-St. Germain Depository Institutions Act. These non-borrowers who acquire title may also be referred to as successors in interest.

This ML will allow mortgagees to review exempted transferee non-borrowers who became successors in interest, and are in default or imminent default for the FHA-HAMP loss mitigation options, which include the necessary credit review for the non-borrower as required by the National Housing Act.

The provisions of this ML may be implemented immediately; however, they must be implemented no later than July 21, 2023.

The policy updates in this ML will be incorporated into a future version of the [Single Family Housing Policy Handbook 4000.1](#).

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- 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.

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