



**FHA INFO 2023-85**

**November 1, 2023**

### **FHA Seeks Industry Feedback on Proposed Updates to the Home Equity Conversion Mortgage Program**

Today, the Federal Housing Administration (FHA) posted a draft Mortgagee Letter (ML), *Updates to the Home Equity Conversion Mortgage (HECM) Program* on its [Single Family Housing Drafting Table \(Drafting Table\)](#) web page for public feedback. This ML proposes revisions to and streamlining of HECM servicing policy to enhance the program's financial stability, improve overall performance, and reaffirm FHA's commitment to the senior citizen population that is served by the HECM program.

Key changes proposed in this ML include:

- Allowing for acceptance of a verbal verification of the annual occupancy certification;
- Shortening the waiting period for assignment to FHA following a mortgagee-funded cure;
- Aligning post-due and payable appraisal requirements for all HECMs;
- Permitting the optional inclusion of Homeowners' Association dues in the total arrearage for property charge repayment plans; and
- Establishing a mortgagee incentive, and increasing borrower incentives, for completing foreclosure prevention actions such as a Short Sale or Deed-in-Lieu of Foreclosure.

Interested stakeholders are encouraged to thoroughly review the draft ML and provide feedback through November 7, 2023. Instructions for viewing the draft ML and providing feedback are available on the Drafting Table. FHA will carefully consider all feedback received before publishing a final ML.

As a reminder, this draft ML is not official policy and may not be used in connection with any FHA-insured mortgage. FHA's existing policies remain in effect until amended.

For more information, read today's [press release](#).

**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](http://www.hud.gov/answers).
- E-mail [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-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](http://HUD.gov)

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



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